



Understanding Airline & Travel Booking Trends

Leveraging past trends to
increase future online bookings.

A SaleCycle Data Report

Get in touch.

Americas

New York City
+1 917 243 9845

Asia-Pacific

Singapore
+65 6635 2487

N. EMEA

United Kingdom
+44 191 500 7400

S. EMEA

France
+33 1 81 80 60 48

SaleCycle

Airline & Travel Booking Trends

Online booking abandonment is a big issue in the travel industry, especially for airlines. Our most recent data puts the average global abandonment rate at 87.9% for airline sites, much higher than the travel industry average of 81%, and overall online abandonment rate of 76.9%.

Airlines and travel sites in general face some unique challenges in converting visitors into bookers, and this goes some way to explaining why these abandonment rates are so high. While there are a variety of reasons for abandonment, the length and relative complexity of the search and booking process for airlines is a key factor.

According to IATA, [the airline industry revenue linked to passenger activity amounted to \\$564 billion in 2018 and is expected to grow by more than 7% to reach \\$606 billion*](#). This revenue is despite the fact that more than 87% of bookings are abandoned, so there is obviously huge potential for sales growth if online abandonment is addressed.

With huge revenue at stake, it is crucial for airlines to make sure that they are not losing unnecessary sales due to poor user experience affecting conversion rates. If online abandonment can be reduced even slightly, it will equate to a huge boost in revenue.

For this report, we took a look back at a full calendar year (2018) of booking trends data from SaleCycle airline and travel industry clients. These trends provide lessons on [how airlines and travel sites can address and minimize abandonment, make the complex booking process easier, and how to tempt visitors back after they've left a booking behind](#).

*Source: IATA press release; Strong Airline Profitability Continues in 2018

Who We Are

“Our mission is to **inspire, shape, and support** the conversions that exist within every customer journey.”

Dominic Edmunds, Founder & CEO SaleCycle

From the moment someone lands on a website for the first time, through to following up purchases in style, we help our customers ensure their visitor's online journey is truly cyclical.

We use behavioral data to help optimize conversion rates, recover abandoned sales and increase customer lifetime value. The end result? Increased online sales.

Trusted by the world's biggest and best travel brands:



Contents

Part One | SaleCycle Airline & Travel Booking Trends

The Issue of Abandonment	06.
Trends in Booking Timings	08.
Why Do People Abandon?	10.
Where Are We Going?	12.
How Do We Book?	13.

Part Two | Tips to Increase Future Online Bookings

Introduction	16.
Recognize Your Customer	17.
Enrich the User Experience	18.
Think Mobile First	19.
Let Them Pay Their Way	19.
Provide a Sense of Urgency	20.
Use Booking Abandonment Emails	20.
Provide Flexible Search Options	20.
Conclusion	21.

Part One

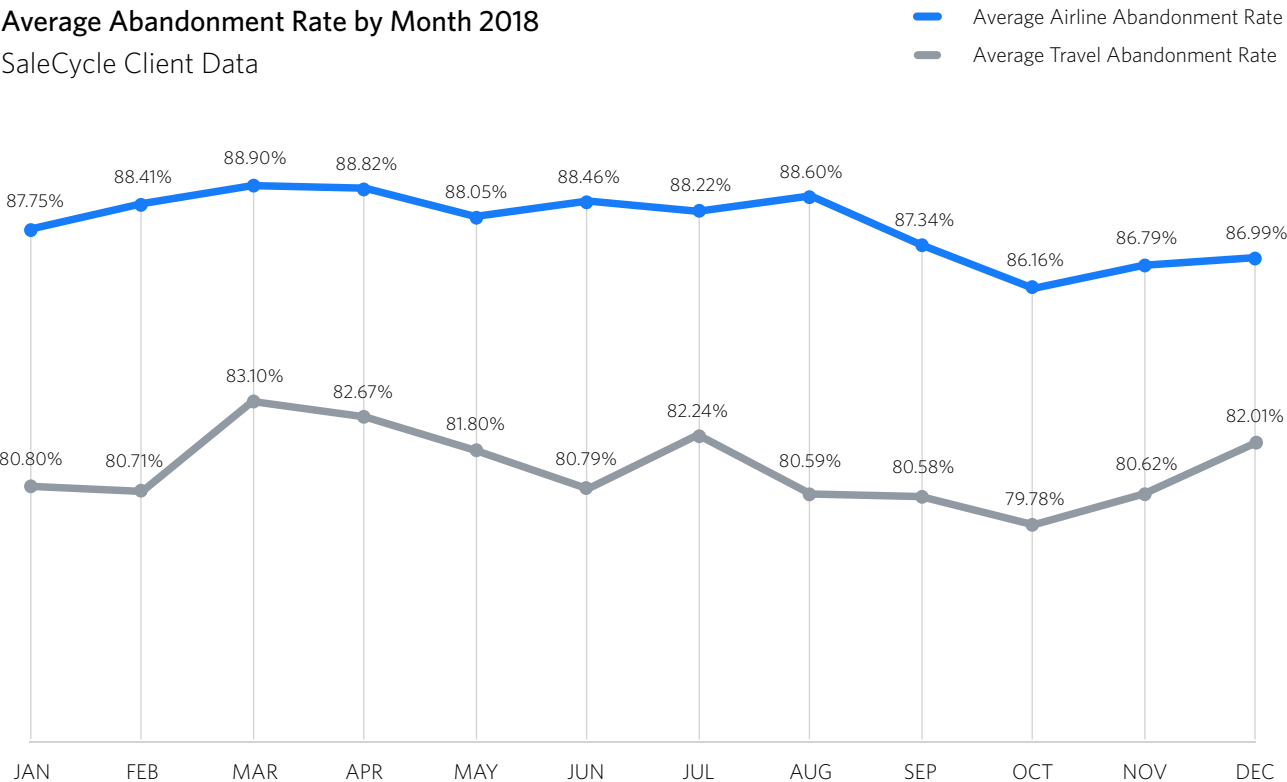
SaleCycle Airline & Travel Booking Trends

Calendar Year 2018

The Issue of Abandonment

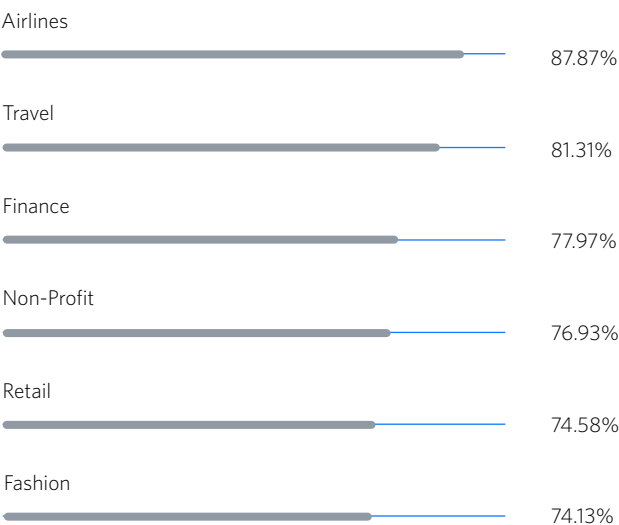
Average Abandonment Rate by Month 2018

SaleCycle Client Data



Average 2018 Abandonment Rate by Industry

SaleCycle Client Data



Airline abandonment rates are reasonably steady throughout the year, between around 87% and 89%. By looking at the data, we see a trend which shows that abandonment rates are lower in the months between September and December. This is also the period with the lowest sales volume, which shows that visitors reaching airline websites have a greater intent to purchase, with fewer visitors only researching for future holidays.

Travel abandonment rates, as well as being much lower, tend to fluctuate a little more during the year, with the two highest peaks in March and July. For people booking for the northern-hemisphere summer, March and April are a key time for booking, showing that this is the time when most decisions

are made. It, therefore, makes sense that people abandon more bookings as they hone in on the best deal for them. Likewise, for more last-minute bookers looking to head away around August, July is the crunch time for last minute research.

The average airline abandonment rate for airlines 2018 was 87.9%, higher than the average for travel sites (81.3%) and much more than retail ecommerce (74.6%).

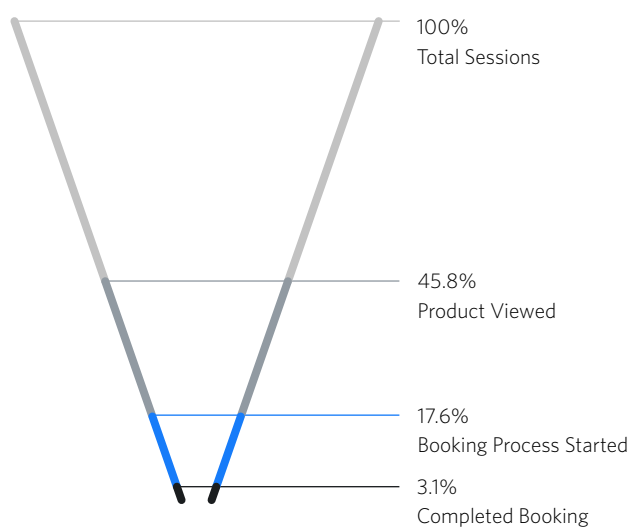
This doesn't mean that airline websites are badly designed or incredibly difficult to use. Some could be improved of course, but the higher abandonment rates are mainly a result of the way people research flights, and the length of the booking process.

Of all travel products, flights are the most complicated. Booking a hotel can be a relatively straightforward process, as is the case with other travel products like car hire. By contrast, booking flights requires much more work from users.

After selecting flights and times, they need to add passenger details, passport data, select seats and in-flight meals, and much more. These are steps that can't be avoided. For this reason, booking and payment often takes longer than for other travel products. As a general rule, the longer the purchase process, the more likely customers are to abandon.

Travel Booking Funnel Data

SaleCycle Client Data

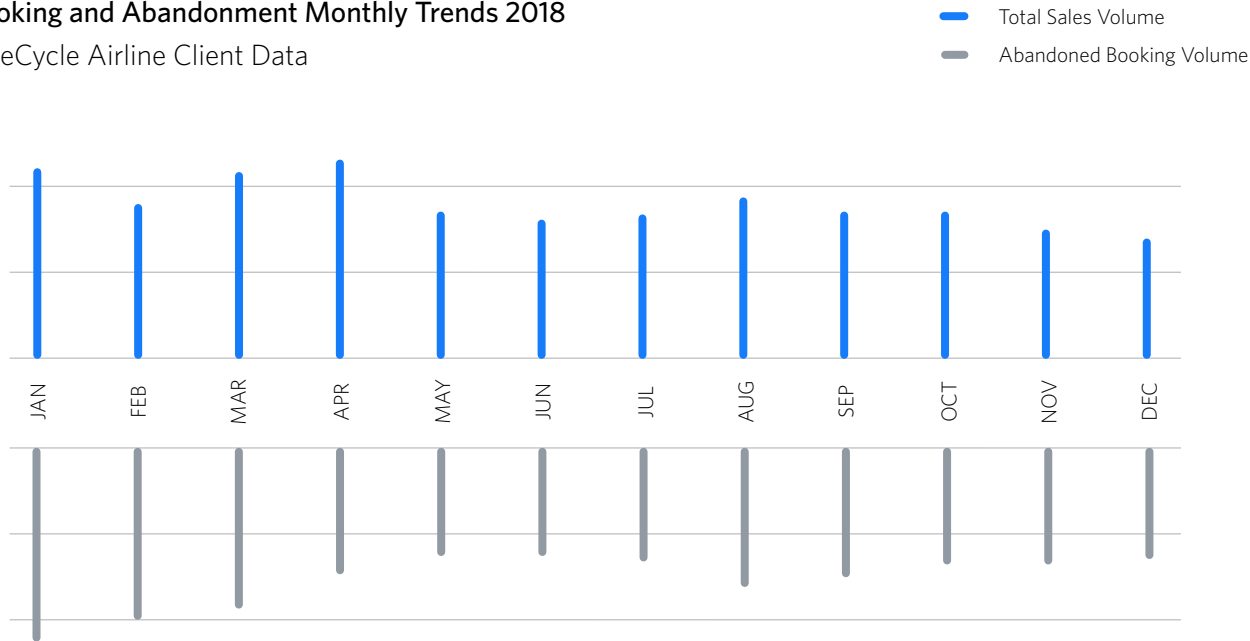


If we look in more detail at the travel booking funnel, we can get a picture of how people behave on travel sites. Almost 46% of users view a travel product, which means they have searched and viewed a hotel room or flight, for example. After this, 17.6% actually begin the booking process. This is relatively high when compared to retail, where 11.5% of shoppers add an item to their shopping carts on fashion ecommerce sites, and 3.7% go on to make a purchase. In travel, a greater number of visitors are beginning the booking process, but fewer are completing bookings. Of the 17.6% of visitors who begin online travel bookings, just 3.1% complete them. For airlines, this booking completion figure is even lower, at 1.8%.

Trends in Booking Timings

Booking and Abandonment Monthly Trends 2018

SaleCycle Airline Client Data



The peak periods for airline bookings are the first four months of the year, as many people are planning their northern-hemisphere summer holidays, and looking to escape the southern winter. It's no surprise then, that the number of abandonments peak in January, February and March, as traffic to airline sites is highest, and people are abandoning bookings as they research.

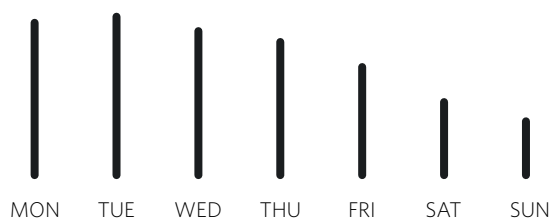
Abandonment volumes drop between April and July. It's a period when fewer people are booking, though there's still plenty of interest in last minute getaways at this time of year. With school holidays and limited periods to take leave, this is a time when people wanting to get away around this time of year need to make faster decisions, so abandonment volumes are relatively low.

April's sales volume is highest, while it also has a relatively low number of abandonments, showing that April is a key month for making decisions. Many will want to secure their chosen flights and hotels at this point and aren't prepared to wait longer and run the risk of missing out.

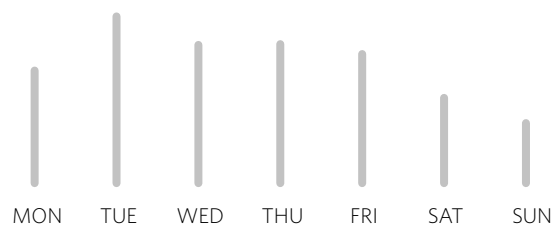
Day of Week Trends 2018

SaleCycle Airline Client Data

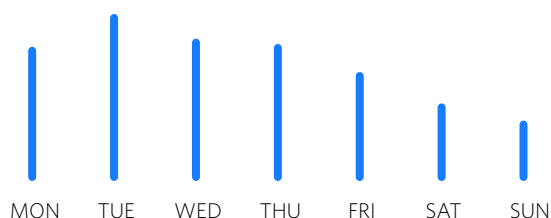
Direct Sales Volumes by Day of Week 2018



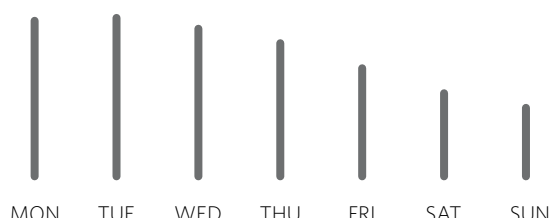
Recovered Sales Volumes by Day of Week 2018



Total Sales Volumes by Day of Week 2018



Booking Abandonment Volumes by Day of Week 2018



When looking at weekly trends we can see that the total sales (direct sales and recovered sales) per day peaks on a Tuesday, and declines for the rest of the week, with weekends being the quietest. [There are a lot more sales from recoveries on Tuesdays, and proportionately more direct sales on Mondays.](#)

The volume of abandonments follows the direct sales volumes quite closely, with Saturday and Sunday having slightly higher abandonment rates to traffic than the rest of the week.

There's no typical travel shopper - some seem to book in plenty of time, while many are booking last minute. This may reflect different needs. Business trips may lead to more last-minute booking, while family holidays can be a more considered purchase. Mobile is an important device for last minute purchases. According to TrekkSoft*, bookings are generally made thirteen days in advance, but on mobile, this window narrows to just five days.

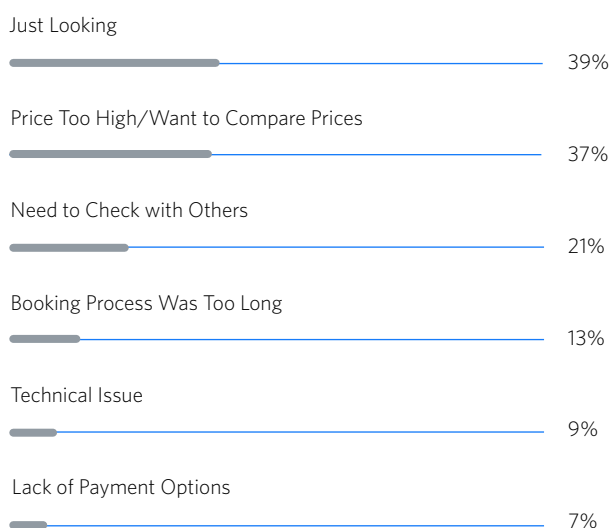
Research by Phocuswright (published by TrekkSoft) found that 38% of bookings are made on the same day or two days before a trip, 53% are made within a week of a trip, and just 19% are made in advance.

*Source: TrekkSoft Blog: Travel statistics to know about in 2018 and 2019

Why Do People Abandon?

Reasons for Booking Abandonment

SaleCycle Booking Abandonment Survey Data
multiple selections possible



A key factor for airline booking completion rates sitting at just 1.8% is the nature of the sites and the research process for travel products. In many cases, it's necessary to start a booking to find out key information. For example, a visitor can select dates and destination for a flight but needs to begin the booking to find out other key details, such as flight schedules, price, and seat availability, or before they are presented with any personalized options. In other words, customer research continues into the booking process, and this can mean more abandonments at this stage.

When travelers search for a flight, unless the airline is able to convey how they differ from their competitors in terms of product, service or convenience, the customer will base their decision on the only variables they can see when searching online: price and flight schedule. Without any personalized touchpoints at this point in the customer journey, visitors are less loyal to continuing the purchase after sourcing basic information and are more likely to price compare with competitors.

Data from SaleCycle's booking abandonment survey validates this. [97% of survey respondents said they abandoned bookings because they were just looking, comparing prices, or needed to check with others](#) before making a commitment.

The others cited the lack of payment options and encountering technical issues, which can be easily addressed once they're recognized. Technical issues can cover a range of problems, from site crashes to issues with form fields, and some may not be technical issues but the result of unclear form fields or poor user interface design.

The research process tends to be longer for travel than for most other products and will vary according to the type of travel product, the cost of the booking, and other factors. According to Millward Brown stats*, [users booking holidays visit as many as 38 travel sites before completing their booking.](#)

With a generally longer time frame for research, abandonment doesn't always mean that visitors have decided against a purchase. It could be merely a pause while they make their minds up, or perhaps talk to other travelers. Nonetheless, this doesn't mean that travel sites shouldn't seek to address this. There is a risk that potential customers will end up buying from another site once they leave, so it's important to do what you can to keep your site and product in the customer's mind.

"I think the first thing to do is to understand the size of the opportunity... Never mind fancy features, **working out what difficulties users are having with your current feature-set should be your first priority."**

Stuart McMillan, Schuh

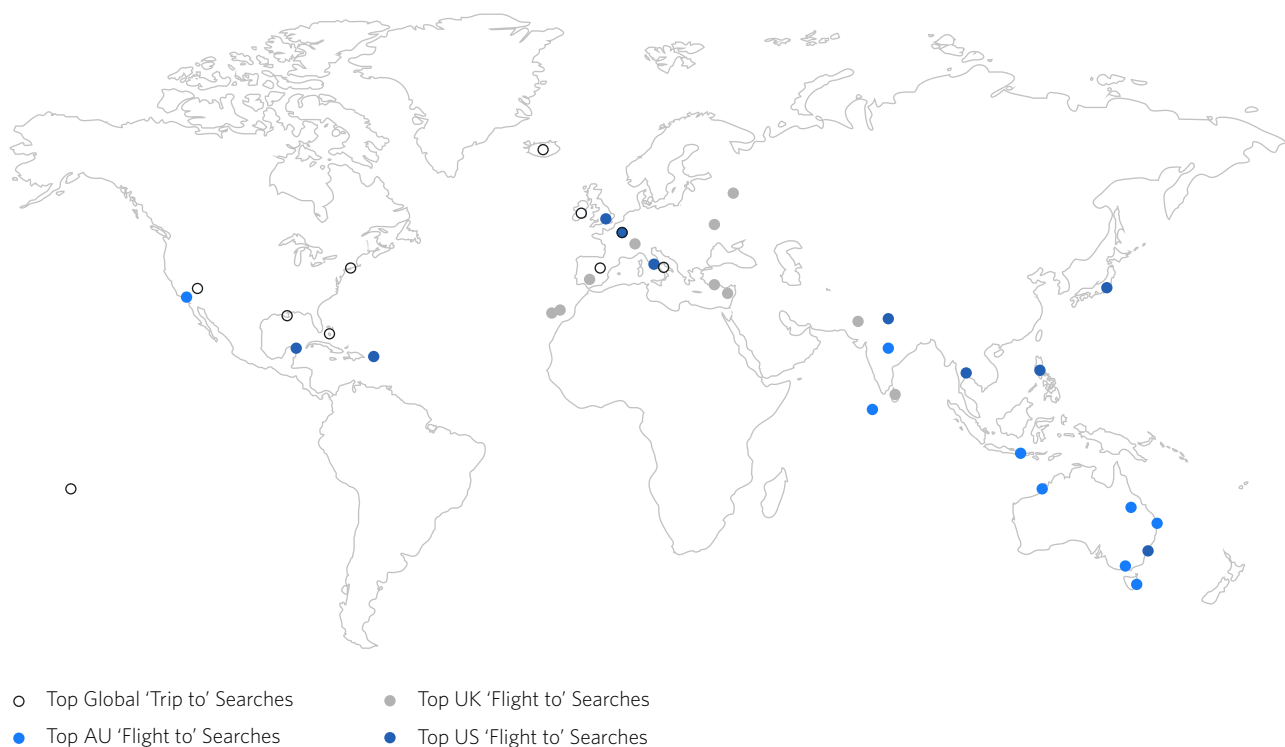
The good news is that [87% of survey respondents said they would consider coming back to their abandoned booking.](#) Some just need a little more time to think about the purchase, and prompting users to return to their booking, as well as saving trip details can persuade them to complete their booking when they're ready.

*Source: Welocalise on Medium: Online Travel Demands Many Digital Touch-points in Multiple Languages

Where Are We Going?

Top Destination Searches 2018

Google Trends Data (Global, AU, UK Searches) & Hipmunk (US Searches)



Data from Google and Hipmunk reveals the most popular searches using the phrase 'flights to..' from the US, UK and Australia.

Looking at the UK stats, the two top destinations searched are a result of Russia's hosting of the 2018 World Cup, with fans looking for flights to see their teams compete in the finals.

The next few destinations are more predictable, with Spain the obvious choice for many in the UK seeking a beach holiday. I suspect that destinations

in France, Italy and elsewhere may be more popular, but the results are spread across several possible city searches. For example, someone searching for flights to Italy might choose Rome, Naples, Milan and more.

US travelers appear to be more adventurous looking at these stats, with flight destinations spread across four continents. By contrast, Australians are more likely to stay relatively close to home, with the only one non-Asian destination appearing on the list.

How Do We Book?

As is the case with ecommerce in general, the travel research and booking process is becoming more mobile. Certain sectors, such as the hotel industry, are seeing more bookings on mobile than desktop. For hotels, with a simpler product and checkout process (often customers don't even need to pay on site), mobile works well.

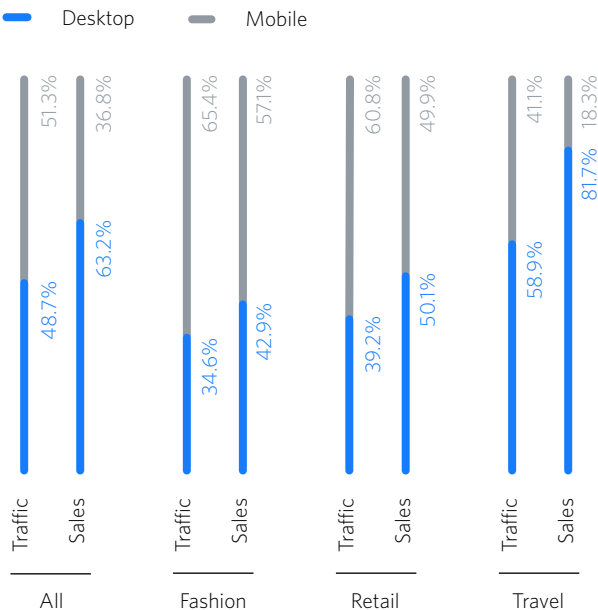
For travel in general, and more specifically flights, the use of mobile for research is growing, but there are greater obstacles. The main one is that the booking process is more lengthy and complex, and therefore more difficult to complete on a mobile device.

SaleCycle data reflect this. It shows that, [while the majority of traffic \(58.9%\) to travel sites comes from mobile devices, this traffic accounts for just 18.3% of bookings](#). Stats on flight bookings by Phocuswright paint a very similar picture. When booking flights, 37% use mobile for shopping and research, but just 18% book on these devices, with a similar pattern for tablets.

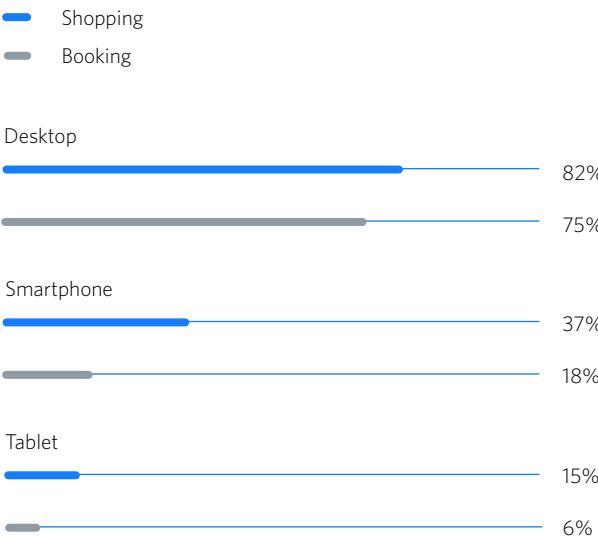
For every \$92 spent acquiring website visitors, **only \$1** is spent converting them.

Econsultancy

Share of Traffic & Sales by Device SaleCycle Client Data

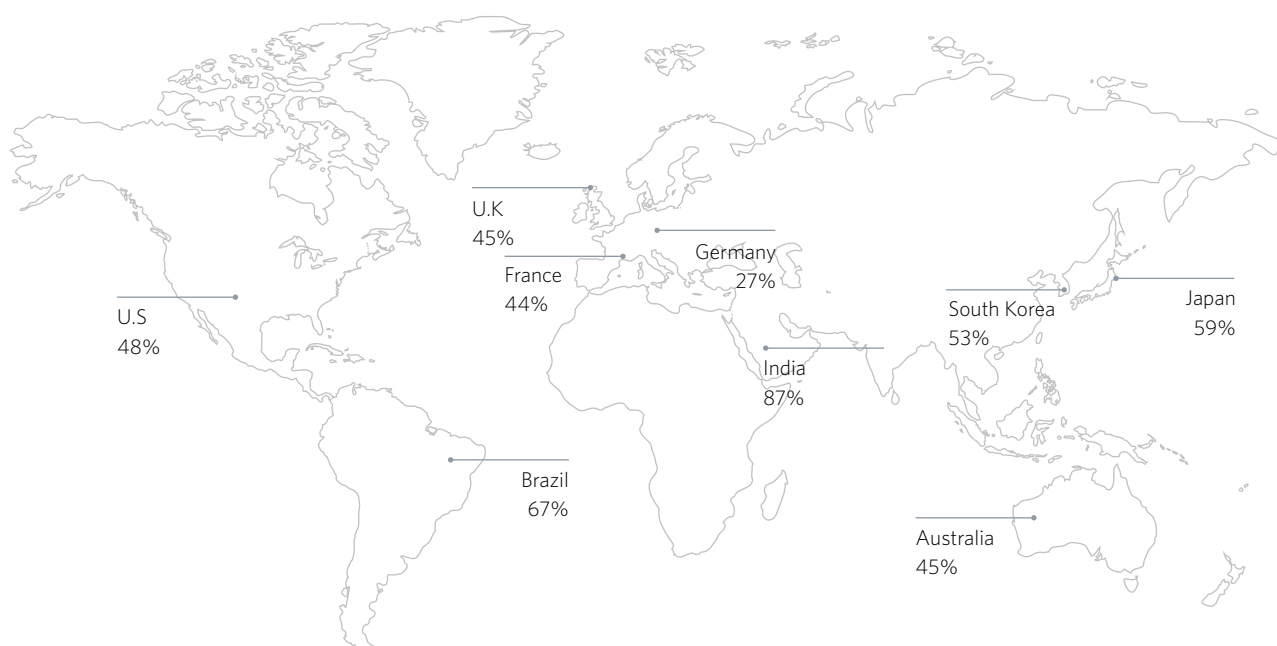


Flight Booking Trends by Device Phocuswright/Bing Data



Smartphone Users Who Would Research, Book, and Plan an Entire Trip on a Mobile Device

Google Consumer Insights, 2018

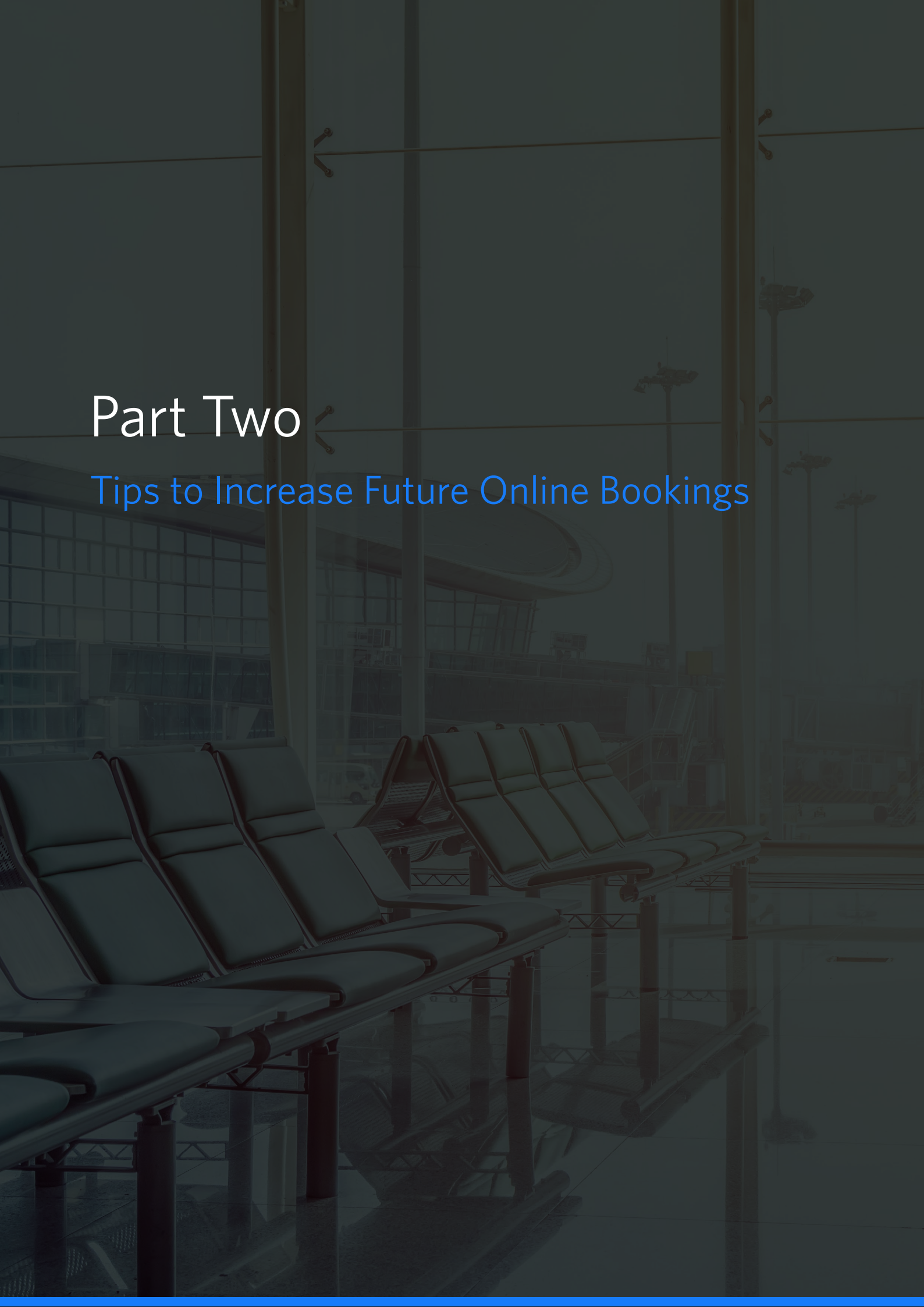


In a nutshell, many customers are happy to use mobile when researching travel purchases, but most prefer to complete the booking on a desktop.

This doesn't mean that airlines can't attract bookings from mobile users. A lot of the issues can be addressed through better design and overall user experience on mobile. Indeed, there are plenty of smartphone users who happily research and book trips all on mobile. This trend is more pronounced in places like India where smartphone usage outnumbers desktop, but almost half of all smartphone users in the UK, US and France are happy to use mobile for the entire process.

Part Two

Tips to Increase Future Online Bookings



Tips:

Increase Future Online Bookings

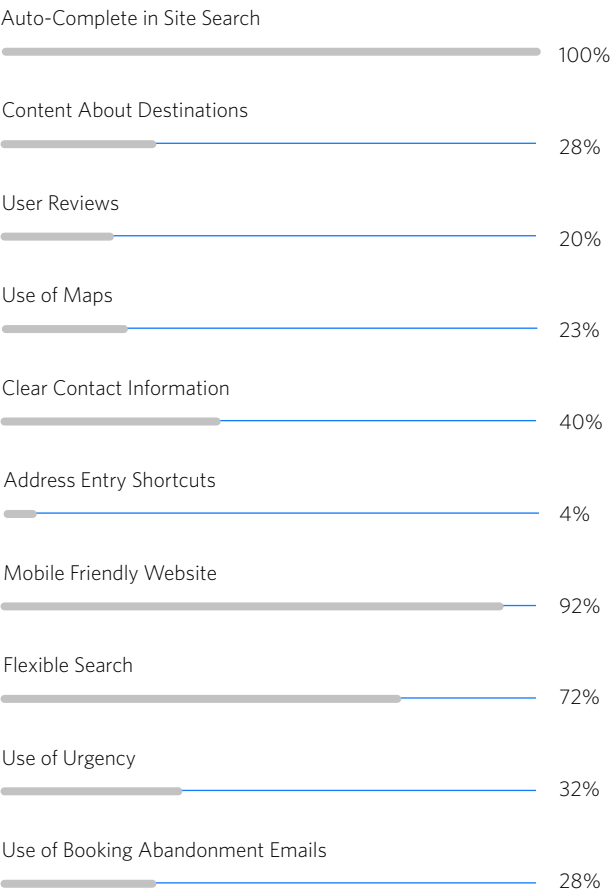
As the online booking and abandonment data from 2018 shows, airlines have a long way to go in improving user experience online. Thanks to the way people research travel, there are always going to be some abandoned bookings but the key is to keep these to a minimum and to avoid unnecessary abandonment as much as possible.

User experience is now a key differentiator for online travel sites, so it's vital to design sites with a focus on the customer. The way people use websites, and the technology available changes over time, so it's important to keep track of and to have a culture of continuous improvement and optimization.

We took a look at the top 25 transactional airline websites (i.e. no review sites or aggregators) based on Alexa rankings, and charted which UX features they were using to help increase online bookings. Using insights from this study, we've put together some key points of focus to help improve future conversion rates and enhance the customer journey for your website visitors.

Airlines Use of User Experience Features

SaleCycle Research into the top 25 Airline Websites based on Alexa Traffic Data



Recognize Your Customer

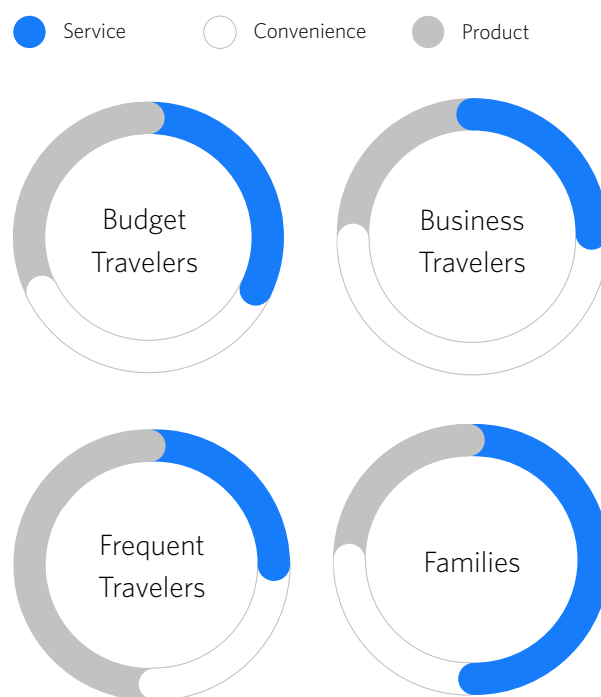
The ability of new technologies to aggregate customer data, combined with a constantly connected consumer base, provides incredible potential. It augments the ability as an industry to get closer to airline customers and understand their values, while the growing sophistication of machine-learning technologies means anticipating future behavior is easier.

The aviation industry faces a challenge across multiple booking channels in determining what a customer values, but identifying key customer segments such as budget travelers, families, business travelers and frequent flyers can make this a lot simpler task.

In identifying these customer segments, airlines can tailor the online experience to suit based on the common perceived value and importance they would place on the product, convenience, and service. [Offering just a total fare that a traveler can take or leave is no longer enough.](#) This information can be used to identify real-time opportunities to offer enhancements to the customer's journey.

A personalized customer journey will lead the way airlines interact with website visitors, benefiting airlines with more sales revenue, but also travelers, who will gain greater satisfaction, more empowerment and clarity to make choices.

Customer Segment Priorities



A focus on personalization also enables airlines to intelligently price, position, and promote their products and services so that those offers are more likely to meet individual customer needs.

Small details like localization also matter. Recognizing the user's location to pre-populate departure field removes a step in the process for them. Automatically adjusting the language and relevant location currency to fit the visitors also helps in creating a more streamlined booking experience.

73% of consumers say they want a more personalized experience online. The other 27% just haven't experienced it yet.

Accenture

Enrich the User Experience

With so many avenues for reaching customers online, airlines need to have an even stronger idea of what they represent, and how to utilize the digital realm to build emotional connections with travelers. While online consumers have a variety of resources at their fingertips for comparing flight prices and schedules, sites who offer additional information that helps in purchasing decisions will be sought out by customers.

Increasingly, airlines are recognizing that their websites are portals between their customers and their brands, embedding them with the data and content required to serve them in an increasingly data-driven marketplace.

supplementary content and user reviews becomes evident. It can go a long way to keeping your visitors engaged and will prevent the need for them to leave and look elsewhere for this information.

Airlines can also assist the research process by providing tools that allow the customer to quickly check for the best prices and times. Showing prices and availability two or three days around the selected departure date, or the option of a weekly or monthly view helps customers to find the best combination of price and time that suits them and saves them in terms of time and effort.

“It’s not *just* about conversion rates. You have to create online experiences that are valuable for both you and your customers.”

Seth Godin

28% of the top airline sites are already embedding destination content into their sites to help visitors in their decision making. This number is sure to rise as the value of including

Think Mobile First

With the 2018 data showing that only [18% of travel bookings are completed on a mobile device despite mobile accounting for 37-60% of site traffic](#), it's essential that airline websites are usable on mobiles.

Of the airline sites we benchmarked, the vast majority do have mobile optimized sites, though some are better than others. Providing a mobile experience is about detail. Form fields, CTAs, and any clickable elements need to be designed for 'fat fingers' and given enough space so that fields and links aren't too close together. The booking process can be made easier on mobile with useful shortcuts which help with things like address entry and providing payment details.

Let Them Pay Their Way

Payment options used by online shoppers have evolved rapidly over the last few years, and it's vital that airlines keep pace with customer preferences and cater for different payment options. This can make or break a booking, so the key is to provide a choice of options for users. Some payment options can even make the mobile booking process easier.

The opportunity for increased revenue lies in the fact that mobile spend still lags behind mobile attention. SaleCycle data highlights [this large gap between mobile traffic and spending on travel websites](#). Tech giants are betting on mobile wallets to close this gap. Options with saved payment details like PayPal or Apple Pay can save time during the checkout process.

With lack of payment options being cited as a reason for abandoning an online booking by 7% of survey respondents and a further 13% leaving when the booking process is too long, addressing this could make a big impact on online sales.

Provide a Sense of Urgency

The [use of urgency reduces abandonment by 8%](#) when used well, and it's a great way to provide useful information for customers, and push them towards a decision.

Key information can be shown as people are making their booking, or as they are about to leave the site. This information could be showing shoppers how many people are looking at the same itinerary or how long they have to take advantage of a special offer. For airlines specifically, key information would also be how many seats are left on a flight and if they want to secure it they'd better move fast.

Use Booking Abandonment Emails

Using [booking abandonment emails can increase online sales by 5%](#). Abandonment happens for various reasons, and those who are researching, comparing prices, or checking with other travelers can be tempted back to their bookings.

Provide Flexible Search Options

72% of the top airline websites are using flexible search, allowing visitors to search beyond specific dates, or to include nearby airports. This means people can see what's available without pinning them down to specifics.

[Not everyone approaches a travel site with fixed dates in mind](#), and flexible search can help them research more easily. Allowing people to search for available flights across a week or an entire month and presenting views of daily price averages is a great way to give price conscious visitors an initial overview of what they can expect, and to help in their travel budgeting.

87% of people would consider returning to purchase a previously abandoned booking.

SaleCycle Abandonment Survey Data

Our data has shown that an abandonment email which includes the full details of the abandoned basket or booking, can produce five times more click-throughs and five times more revenue than a generic, reminder email.

Understanding Airline & Travel Booking Trends

The trends shown in this report show that airlines, when compared to the online travel sector in general, have the toughest task in terms of converting customers, especially mobile users.

Abandonment rates are highest for airlines and a lower percentage of those that begin the booking process complete it on airline websites. There are many ways that airlines can address these issues though, and much of this comes down to providing a better user experience, whatever device customers use for bookings.

The research process, and competition from sites like Skyscanner means that travelers are likely to shop around and check prices when looking for flights. Indeed, the majority of reasons for abandonment are around research and price comparison. This means a certain level of abandonment is natural,

but airlines can seek to minimize this by giving them the tools to research on-site, by using destination reviews or relevant and useful content for example.

Airlines can also help their customers to return to bookings with email prompts, and saved flight details. The other main issue to address is the booking process itself. Here, a focus on user experience can really pay off. Airlines need a certain amount of detail from users, but this can be made easier by testing and optimizing booking forms, and making the process as smooth as possible for bookers.



www.SaleCycle.com