Online booking methods: SA travelers still want a human touch

By Tom Williams   28 Jun 2016

Much has been made of the impact that new technology - and particularly the rise of digital - is having on the travel industry. Mobile apps, big data, analytics and (more recently) bots are among the emerging tools that are undoubtedly changing the business of travel. According to the recent PI Datametrics Digital Travel Report, digital travel sales totaled more than $533 billion in 2015, and by 2019, 'worldwide digital travel sales will top $762 billion.'

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Real-time booking vs. on-request

Given the reams of data now available to would-be travelers, along with growing internet access, one of the major global trends to emerge has been real-time booking, which enables consumers to search, book and pay for accommodation both instantly and seamlessly. In Europe, which is largely a city-based travel market, most online travel sites now only support real-time booking models. From a sales perspective, the real-time booking model is a boon for conversions, as consumers go from prospects to paying customers within minutes following just a few simple steps and aided by smart payment gateways.

Interestingly, however, South African travelers have not embraced the real-time booking model as readily and as enthusiastically as European and American consumers. "As our own data has revealed, there remain a strong demand for on-request bookings, with local travelers preferring to shop around, take their time, and engage with accommodation providers before making the purchase," says Tom Williams, COO of SafariNow.

While there has been an increase in real-time bookings, it has been incremental. In 2014, 8% of total bookings via SafariNow were real-time, climbing to 11% in 2015 and 13% this year. Notably, among local travel sites that support both real-time and on-request bookings, 80% of bookings have come via the 'request a quote' channel this year. And although this method takes a bit longer for both parties, it is definitely the favoured route amongst SafariNow customers.

The travel experiences

There are several potential reasons behind this. For one, many South Africans are interested in self-driving and self-

catering holidays, often with kids and pets in tow. This type of travel requires a more personalised approach and some advance planning. In other words, consumers want to speak to someone and find out more before committing and paying.

In addition, there is a marked rise in informal accommodation options, with private homeowners, small Bed and Breakfasts, home swaps, and 'couch surfing' becoming increasingly popular among cash-strapped travelers. Unsurprisingly, these informal accommodation providers do not have the infrastructure to provide real-time booking options. Indeed, a great deal of the interactions and actual sales happen offline.

Given the more advanced technology that is required to support real-time booking, it is usually the larger and more formal accommodation providers who offer it. Also, with the higher conversion rates and operational efficiencies associated with real-time, many of the major global providers – such as Expedia.com and Booking.com – only offer the automated option.

As a consumer, however, despite the perceived efficiency of the model, it arguably has more benefits for the providers and sellers than for travelers in search of authentic and personalised travel experiences.

Best of both worlds?

For local travel sites and online providers, it is, therefore, prudent to provide various ways in which travel seekers can search, book and pay for accommodation. For example, a middle way that combines some of the benefits of real-time booking with the on-request model is proving to be a popular option amongst local travelers.

At SafariNow, 6% of bookings are made this way and that figure is increasing rapidly. This model allows consumers to search for and book accommodation online in real-time, but the transaction only goes through once the accommodation provider confirms and approves the booking. So although the process is quick and efficient, there is still some degree of protection afforded to both the consumer and the provider.

Without a doubt, as technology improves and travel booking is increasingly streamlined and automated, many consumers remain determined to retain the human element in their holiday planning.

ABOUT THE AUTHOR

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