



## GET MORE SALES ONLINE

### FIX MISTAKES

43% more customers will book online if they have the ability to fix mistakes online.

### CANCEL OR MAKE CHANGES

Likewise, 42% say the ability to cancel or make changes to reservations online is important.

### REVIEWS

One-third of Internet travel users look for independent reviews and ratings during their research and purchase process.

### MORE EFFICIENCY

Time is of the essence and 27% would use websites more for booking if booking processes were more efficient.

### CLEARER WORDING

Clearer wording regarding penalties will increase online bookings 25%

### CUSTOMER SERVICE

And 24% would convert to online bookings if they felt customer service matched the offline experience, in particular the speed in which travel businesses answer emails.

## Successful planning, budgeting and delivering a successful web project The Secrets to Success!

Companies that do serious business over the Internet like Hostel World, Expedia, and eBookers continually measure the results of their website redesign efforts in order to provide a realistic perspective for ongoing development against expected benefits. But, what about companies considering their first major redevelopment in many years? For most, the cost seems almost inhibitable. In this paper we set out the fundamentals of tackling such a project including the most important considerations in web redesign to ensure your project meets budget and expectations; as well put forward a Return on Investment argument.

While the last decade involved getting a decent brand site up and running, the next phase of evolution in the industry must be to employ tools and technologies to better understand customers and cater efficiently and effectively to their varied needs. Referred to as Web 2.0 (Travel 2.0) new technologies and social changes are transforming the way all tourism businesses operate, create products, and relate to customers. The socialness of the Internet encompasses fast growing peer to peer activities like blogging, RSS, file sharing, open source software, pod-casting, search engines, and user generated content.

### The Reasons for Website Redesign

Leisure travel has been one of the hottest eCommerce categories from the start, and it is not cooling down. Consider the following: In the past 5 years, the number of online Europeans using

the Internet to research their holiday destinations at sites like www.lastminute.com rose by 24%; in 2005 this number soared by 33% alone last year from 53% of Europeans online consumers to 63%; accommodation is the most researched, while airline tickets have the highest conversion rate; in 2001, only one in three online lookers also booked travel online; by 2005, this had risen to one in two; almost half of online bookers seek the cheapest fare, and 28% want to compare prices online; consumers in the UK and Spain are particularly price-sensitive.; loyalty is hard to find with consumers searching on average 3 websites; peer reviews and ratings at sites like www.tripadvisor.com guide about 10% of online Europeans.

The stats don't lie - travellers use the Internet for information! Yet only a third end up booking via the Internet. Tourism and travel companies need to improve their designs to raise conversion rates through a wide range of travel services including better itinerary planning and shopping tools, rich media that brings the experience of the products to the web, and social interaction that appeals to emotionally or socially motivated travellers, as well as delivering the benefits of online efficiency. Consumers expect eCommerce to be convenient, inspire confidence, and put them in control. With travel, efficiency translates into the ability to control costs by comparing prices and to save time in booking, especially for those that are already 'on the road'. It all boils down to great web site design.



## BEST PRACTICE

### IN HOTEL SITE REDESIGN

Because 87% of online hotel bookers have already decided on their destination, hotel sites are best used to sell the property rather than the destination. Best practices in website design include:

*Sell the sites location providing meaningful maps*

*Provide phone numbers on all pages*

*Train phone staff to educate and reinforce use of the site*

*Focus on date, rate and room type flexibility in the booking application*

*Leverage contact points to attract customer back to the site*

### Website redesign can be justified by ROI elements

#### Attract more customers (increase appeal)

Your website can be redesigned to recognise the importance of performance in natural search results as a method of driving traffic to the website.

#### Retain customers and encourage frequency of use

More than 83% of Internet users are likely to leave a Web site if they feel they have to make too many clicks to find what they're looking for, according to an Arthur Andersen Internet survey. A good design can keep users coming back. Research also shows that repeat customers are most valuable, spending almost twice as much on average on subsequent purchases.

#### Increase Revenue

Good navigation and website design make it easier for travellers to find what they're looking for and to buy it once they've found it. This is not a matter of increasing use by a few percent - it is common for redesign efforts to result in a 100% or more increase in traffic or sales - while some sites have increased

sales by as much 225% simply by providing better product information to the customers at the right time.

Likewise, a well planned, well designed website recognises up-selling and cross-selling opportunities, which can significantly raise revenue

#### Lower cost of sales

An improved user experience on a website means fewer visitors abandon the site and switch to the phone to complete their purchase. Integration of functionality such as better FAQs, travel planning and reservations status further reduces the burden on customer service resources.

### Important steps to follow for Project Success

#### Plan your project carefully

A well planned project will save you money. The top four reasons for budget over-run are: frequent requests for changes during the development by you or your team; overlooked tasks; a lack of understanding of your own requirements; and insufficient communication and understanding between you and the developers. Changes to design and functionality are significantly less the earlier

they are made in a project, yet, research shows that a large bulk of expenditure occurs during the maintenance phase due to 'unmet or unforeseen' user requirements necessitating development or redesign. Sun Microsystems proposes that every dollar (US) spent on planning could return \$7,500 in savings on redesign costs.

A well planned project will save you time. Well planned projects will ensure development costs and resources focus on the "broken" site functionality primarily. User-centric plans will also speed up the time users spend on website tasks and ensure user acceptance of the website immediately on launch.

#### Be clear on why your site exists

Whether you are Hostel World or a small 40 bed hotel on the Gold Coast your site probably exists to create revenue through online bookings, while the main purpose of other seemingly transactional sites, like many travel retailers, is often to drive customers to local stores.

#### Identify the specific capabilities aligned with your sites purpose

Knowing your sites purpose of existence up front and planning functionality to match will ensure cost is

lowered in development changes later. For example, if your site exists to drive online bookings of tours, then it must provide some baseline features, including an account setup process, privacy and security policies, a transaction engine, help, and the ability to track the status of the booking.

### Identify your users requirements

Instead of only offering a phone number on the website, you should find out who your users are, what their questions are, and what channels of customer service they prefer. To prevent users from abandoning your site for a competitor, you must offer help on the home page, integrate it throughout the site, and provide it via the preferred channels for your target audience.

An effective, user friendly website can increase customer ease of learning, ease of use, and trust in the product. Regardless of whether your site involves performance tasks (such as booking on a bus) or travellers making purchases, the user must be the center of the design process. Cost-benefit analyses consistently show healthy returns on the dollars invested in usability.

### Get the basics right

Web analytics, expert reviews, surveys, and usability tests will uncover three distinct types of design issues: problems that have already been solved, problems that can be solved by applying the right methodologies, and problems that require innovation. The vast majority of today's sites have a disappointingly long list full of user experience flaws that create barriers for customers who want to buy a product, locate a shop, or get help without having to call customer service. Ironically many remedies are common knowledge, and many of the problems have already been solved on other sites. Focus on these first to make substantial improvements to your site in a short amount of time.

*Make privacy and security policies easy to use* - research shows that those who book offline are particularly sensitive to payment security (more than one in four lookers are insecure about using credit cards on the web, – a long standing

problem). Provide clearly labeled links to these policies wherever the user is asked for any type of personal details. Even better, provide short summaries of these policies alongside the links.

*Improve text legibility.*

*Have quick and easy navigation.* Like the clean “line of sights” employed in retail stores to help customers seamlessly find their way around, easy website navigation is critical to getting consumers to relevant products as quickly as possible. Shoppers navigate a site in two ways – either through on site search, which directs “spear fishers” to exactly what they’re looking for, or through a site’s navigation links. Well designed sites focus on both.

*Ensure your content has meaning.* At least half of the sites we reviewed tell customers how to find a specific accommodation but supply little if any information about the property’s surroundings. Many even make it hard to discern where in a particular city the property is located because the maps lack landmarks, are overly stylised or can’t be zoomed in or out.

*Get the look and feel consistent.* Many travel sites have drastic interface consistencies between the home page and the transaction engine. Information that distinguishes rooms from each other such as sample photos or promotional prices vanish like Cinderella at midnight once booking begins. Instead we are mired in jargon – like a tour descriptor that consisted of “Basis J” with a “DBL BD”.

*Help users recover from errors.* Write error messages that use plain language to describe what happened and why, and suggest how to fix the problem. Error messages should also be directly integrated into forms and functionality as opposed to pop-up windows or separate error pages, which require users to remember too many details about what they need to do when they return to fix the problem. Nearly one in seven online leisure travellers say they switched channels to book because “I was afraid I’d make a mistake making my purchase online”.

And of course, *the price must be right.* That’s the easy part; as your own web

site is the cheapest channel, you can offer your own rooms at lower rates than anyone else – users expect this too! In today’s “I can get it for you wholesale” pricing environment it shouldn’t surprise anyone that – in spite of best price guarantees – bookers top reason for going off-line is their perception that pricing is better.

### Make existing functionality work better, and add tools for precision booking

Travellers already high thirst for control, and growing expectations of being able to do complex tasks online in other parts of their lives, necessitates that travel companies update their legacy reservations, operations, or property management systems with applications that allow travellers this level of precision booking.

When approaching the endless list of new technologies and techniques, retailers should start with the lowest-hanging fruit first. Begin by dedicating some creative resources to creating unique content for a blog or pod-cast, consider new highly usable AJAX-powered booking interfaces, or encourage RSS Feeds for better information reach. These technologies are relatively established, have cultivated their own unique audiences, and with minimal investment, are likely to give a quicker thumbs up to travel suppliers as an effective channel for marketing.

### Adopt proven design methodologies and tools

XSD favours three design methods that show repeatable success. They are Scenario Design which focuses on three basic questions: Who are our target users? What are their key goals? And how can we help them achieve those goals? to present clear paths to essential content and function; Personas which models user behaviours, attributes, and goals, aggregated from observations or interviews of real users; and XSD’s own designed framework - The Funnel, which sets goals (such as generating a booking or enquiry) and eliminates content that are not building blocks to achieving those goals.

## INNOVATION

### LOOK TO OTHER INDUSTRIES

After – and only after – you’ve achieved a basic level of usability hygiene, can you move to adding innovative content and functionality to your site. Web strategies need to keep a watchful eye on competition, but should look beyond immediate industry rivals for innovative design ideas. Watch the industry behemoths like eBay and Amazon.com and industries like financial services and auto that are more likely to capitalize on new technologies earlier than the majority of travel suppliers. Recognise that your competitors may be getting it wrong; but, also that your customers visit websites outside of your industry that raises their expectations about the experiences the web can provide, expectations they subsequently have of your site.



### Getting your redesign project approved and Justifying the Budget

#### Define measurable project goals

Since users require specific content about products and services in order to achieve their online goals it is not surprising that adding or improving content to sites usually tops the list of redesign goals. Building greater brand loyalty and improving customer service virtually ties for second place, while transactional goals like increasing sales and generating more leads strangely trails.

However, with one exception – increasing online sales – most site owners don’t actually know what results their web redesigns produced. Softer businesses goals like building the brand are important, but hard to quantify and measure. This makes them harder to defend as the basis for funding a project. Quite simply stick to measurable goals like boosting revenue and lowering costs.

Experience shows that most major web design projects take at least half a year but relatively few take more than a year. It requires exceptional business discipline to either complete a major site overhaul in less than a year or keep organisational focus for much more than a year. Moreover, many web projects kick off without any regard to the expected time till payback. Research shows of those that do plan, more than half of business owners want site design investments paid back in 18 months or less, and very few will wait more than two years. Scope the project for a six to twelve month time commitment and shoot for the payback in less than 2 years.

#### Measure site performance against business metrics:

Everyone loves a great brand experience, but design projects don’t get funded without some anticipated benefit to the business. To get new web projects funded – and prove the im-

portance of solid web design – measure the impact that site changes have on the business metrics that matter most.

- *Begin and end every project with business objectives*
- *Design with other channels in mind.* Your website doesn’t exist in a vacuum; it’s one dimension of your business that includes phone, email, in-store and product delivery experiences. Recognise the web’s strong points and it’s opportunities. Websites can provide users with access to broad and deep information well-suited for in depth research and discovery at the customer’s convenience, deliver rich output, and offer real time responsiveness and bookings. With the growth of Web 2.0 technologies sophisticated sites can begin to match a human’s ability to probe for needs, analyze data, and make recommendations. But to fully understand your online business opportunity, you need to know the answers to questions like, how many people phone the call centre after visiting the site, and what are they calling about? Call centre deflection occurs when websites are redesigned such that customers who want specific information can find it quickly and easily online instead of having to call to find out. How much can you expect to deflect? Up to half of the calls about the specific topic you target for online solution.

- *Build return on investment models.* Using measurable business goals like boosting revenue or lowering service costs it’s possible to construct site design ROI models that even the mathematically challenged will appreciate. First, establish a baseline with current metrics like site traffic, conversion rates, average order size, cost per order, and gross margin. Then estimate low and high improvement ranges for these metrics based on industry specific averages and anticipated benefits from site enhancements versus estimated costs. Use your company’s standard methodology for estimating ROI if it has one or some of the standard models, like net present value (NPV),



internal rate of return (IRR), or economic value added (EVA). You'll know that you're on the way to success when stakeholders debate the numbers in the model, not the model itself.

- *Frame ROI models with real world parameters.* When planning projects account for your current site quality and project complexity. Worse sites (those that have a large number of barriers to customers trying to find information or complete a transaction) have a lot more room for improvement but can take longer to fix than sites that only need a few tweaks. And not surprisingly, complex projects that reach into back end systems, involve stakeholders from across the company and attempt to serve many different user types with widely varying (or conflicting) needs tend to drive up time and cost.

Web design doesn't have to be a guessing game. With some extra upfront effort, teams can build metrics that measure the effect of the money they spend on design – just like they do for other initiatives.

### Develop a design-centric business environment

Specifically, your entire organisation must learn to view the customer web experience as critical to meeting business objectives. To grow and nurture a design-centric culture create and evangelise mini success stories that illustrate how user-centric methods and their resulting changes to the site directly affect the bottom line. For example, Adventure Tours Australia changed their keyword focus to terms including the word "package", rewrote the web content to reflect the emphasis on this term and subsequently raised the average sale value across the company by selling more packages.

### Recognising the business impact of Resourcing Websites

Finally, establishing an emotional and personal relationship with customers through your new website means that travel companies must turn to more sophisticated:

- *Content management.* Every message sent out in an RSS reader, every blog entry composed, or every podcast downloaded, entails some creative forethought. Strong creative teams aligned with sophisticated content management tools are a must. Travel companies must either outsource their website management or work smarter to manage the increased marketing effort.

- *Merchandising and analytics tools.* With more data than ever, in formats that have never been seen before, travel operators will have libraries of data that will necessitate accurate, effective, and user-friendly business intelligence tools to enable effective decision-making.

- *Security measures.* As businesses gather information from customers and market to them through more methods, permission-based data capture that is non-intrusive and secure, and ensures compliance with laws as well as alignment with the interests of consumers and privacy advocates, and truly adds value is paramount. Without trust, adoption of all of these emerging technologies of your site will languish.

### Take note:

*The search function was the most popular part of IBM's website because it was difficult to navigate; and the help button second, because the search function was ineffective. Following a substantial redesign (and investment in usability analysis) use of help button decreased 84% in the first week, while sales increased 400%*

2007 is the year in which most tourism companies will undertake their first major capital intensive overhaul of their websites. While many current sites have a large number of barriers to customers trying to find information or complete a transaction; they also have a lot more room for improvement when it comes to achieving goals like deflecting calls, generating leads, and consummating sales. Companies should assess the quality of their sites' design immediately, and therefore its' current level of effectiveness.

Yet, web project planning and execution have moved a long way from the 'mate' building a couple of brochure pages for a few hundred dollars. Consumers demand a greater level of interaction and efficiency; while business stakeholders demand a greater degree of accountability and transparent return on web spend. Fortunately, lessons learned from other industries, recognised business modeling, design methodologies, planning and execution structure and essential website 'must-haves' can be applied to any planning and budgeting web project process.

# ROI

## A very simple example model

	Current Metrics	% improvement, low estimate	Low benefit after 1 year	% improvement, high estimate	High benefit after 1 year
<b>Site traffic</b>					
<i>Site visits/year</i>	500,000	10%	50,000	25%	125,000
<i>Increased sales</i>					
<i>Site Conversion rate</i>	2.6%	10%	2.86%	50%	3.9%
<i>Average order size</i>	\$75.00	10%	\$82.50	25%	\$93.75
<i>Sales revenue</i>	\$975,000		\$1,092,975		\$1,432,031
<b>Total increased sales revenue</b>			\$117,975		\$457,031
<b>Lower cost of sales</b>					
<i>Phone call enquiries</i>	500,000	-5%	-25,000	-15%	-75,000
<i>Email enquiries</i>	750,000	-5%	-37,500	-15%	-112,500
<i>Reservations setup cost</i>	\$1,000,000				
<i>Cost/enquiry or booking</i>	\$0.80				
<b>Total savings in reservations setup</b>			-\$50,000		-\$150,000
	<b>Total benefits from redesign</b>		\$167,975		\$607,031
	<b>Cost of redesign</b>		\$50,000		\$120,000
	<b>Total net benefits from redesign</b>		\$117,975		\$487,031
	<b>ROI (benefit – cost/cost)</b>		235.95%		405.86%

### XEBIDY STRATEGIC DESIGN

XSD provides leading edge eCommerce strategy, design and implementation for New Zealand and Australia travel companies. Leading edge is Web 2.0 applications and strategies, and development of Rich Internet Applications (RIAs) for booking processes, mapping, travel planners and shopping carts. XSD products include: competitor analysis, derivation of strategy canvas, "space" identification; design and specification of functionality; return on investment modeling; web design and development; ongoing support, maintenance and mentoring; and search engine optimisation and Internet marketing strategies - design and implementation.

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