

Keynote[®] Customer Experience Rankings[™]



Lodging Industry Research Abstract

Winter 2005

Keynote Methodology Overview

The Keynote Customer Experience Rankings examine strategic issues facing the online travel and lodging industry, helping companies understand how effective their Web sites are in comparison to top competitors and providing insights into how to improve.

Keynote uses its proprietary software and a panel of thousands of Internet users to gather the quantitative, qualitative and behavioral data that inform its reports.

Keynote conducts annual studies of the travel and lodging industries, examining the online experiences of customers. For this study, Keynote monitored 2,000 customers as they interacted with 10 leading online travel and lodging Web sites. Participants provided their reactions and answered questions while Keynote recorded their behavior and captured their responses using the proprietary Keynote customer experience methodology. More than 150 metrics were measured across each site.

Keynote then assessed the impact of the customer's experience through a range of indices including customer conversion, brand affinity, and other aspects of business.

The following sites were evaluated as part of this competitive benchmarking study:

- Expedia
- Hilton
- Hotels.com
- Hyatt
- Lodging.com
- Marriott
- Orbitz
- Sheraton
- Travelocity
- Wyndham



Keynote Customer Experience Rankings

The Keynote Customer Experience Rankings are based on an aggregate score of site performance across all 150 indices and metrics measured in the study. These high-level rankings illustrate which sites are providing the best online experience for customers.

Keynote's 2005 study of the lodging industry showed that all online travel agencies studied scored significantly better than any hotel site, aside from Marriott, in customer experience. Expedia, Travelocity and Orbitz provided the best overall online experience for customers.

Keynote Customer Experience Rankings

Rank	Online Travel and Lodging Agency
1	Expedia
2	Travelocity
3	Orbitz

Keynote Indexes

The Keynote study also benchmarks site performance across leading business outcomes, including: customer satisfaction, brand impact and customer conversion.

Customer Satisfaction Index

More than 100 metrics were compiled from each site to generate the Customer Satisfaction Index, a composite measure of the customer's overall satisfaction. The index includes measurements of:

- Site Satisfaction
- Ease of Use
- Site Organization
- Customer Support Options
- Least Overall Frustrations

Customer Satisfaction Index

Rank	Online Travel and Lodging Agency
1	Expedia

Expedia ranked first on the customer satisfaction index, showing that users are satisfied with the online experience provided by the Expedia site.

Brand Impact Index

The Keynote Brand Impact Index is a composite measure, indicating improvements in brand affinity after the customer's online experience. Keynote consistently finds that site experience can have a strong impact on customers' attitudes toward the overall company brand. Poorly designed sites that create user frustration can negate the millions of dollars that companies spend on brand advertising.

Brand Impact Index

Rank	Online Travel and Lodging Agency
1	Expedia

Conversion Impact Index

The Keynote Conversion Impact Index measures the overall likelihood of a site visitor to book lodging based on their online experience. The index includes measurement of consumer likelihood to:

- Book lodging on a site
- Return to the site in the future
- Make the site their first visit in booking future lodging

Online agency sites also topped the Keynote Conversion Impact Index:

Conversion Impact Index

Rank	Online Travel and Lodging Agency
1	Expedia
2	Travelocity
3	Hotels.com
4	Orbitz

Although Expedia continues to lead the Keynote CE Rankings and the Keynote Conversion Impact Index, Travelocity and Orbitz have made significant gains in their customer experience and conversion performance over the past year.

During this latest study, more than 68% of consumers visiting Travelocity said they were likely to book lodging on the site in the future as compared to 62% in previous studies. More than 72% of Orbitz visitors expressed an intent to book on the site in the future, as compared to 62% in the previous study.

Keynote Drivers

Keynote also conducts a sophisticated driver analysis to determine which aspects of site experience had the most impact on site success. Customer Support and Ease of Booking were the two drivers showing the most significant impact on key business outcomes such as conversion and brand affinity:

Top Impact Drivers

Rank	Impact Drivers
1	Customer Support
2	Ease of Booking

The Keynote study competitively benchmarks sites across key drivers – and determines the key factors contributing to success:

Ease of Booking

Rank	Online Travel and Lodging Agency
1	Orbitz
2	Lodging.com
3	Travelocity

Expedia performed well across all leading impact drivers, notably in customer support and price satisfaction. Travelocity ranked highly and made notable gains in the customer support and ease of use drivers, and Orbitz made significant gains in ease of booking and price satisfaction.

Keynote CE Rankings for the Lodging Industry

This abstract highlights findings from the Keynote CE Rankings for the Online Travel and Lodging Industry. The full report contains hundreds of metrics and includes additional information not only identifying the best and the worst Web sites in certain categories, but also providing specific detail about why the sites ranked where they did.

The following measurements provide additional insight:

Keynote Drivers

Critical insights of the study are derived from understanding why sites rank as they do. Keynote conducted a sophisticated driver analysis to determine which aspects of the site experience had the most impact on site success. The factors that have the greatest relationship to these site effectiveness indices reveal which areas of the site experience should get the most attention in order to improve critical site outcomes.

Cross-Site Segmentation

Segmentation provides insights about how certain customer profiles interact with and respond to each site in the study. Keynote compares key metrics across the largest segment division identified in the industry, such as high and low income individuals.

Qualitative Analysis

Using special qualitative analysis tools, the Keynote research team analyzes participant comments to identify and compare common themes across all of the sites in the study. Since our qualitative algorithms are the same across each of the reports, these tools provide a fair and quantitative way to compare customer verbatims across reports.

Web Norms Comparisons

Participants in the study do not compare their site experiences just among competitors in a particular industry; they also compare their experiences to those presented by other types of sites. Keynote provides site comparisons against larger web norms so that companies not only know how they compare to their own industry averages, but also to web norms across industries. Keynote web norms are derived from hundreds of evaluations run across many major industries.

Longitudinal Comparisons

Keynote CE Rankings provide a solid base for longitudinal comparisons and benchmarking. Each iteration of the study uses a similar study design, and the analysis is based upon standard Keynote metrics, resulting in data that can be easily benchmarked and compared over time.

Keynote Customer Experience Research

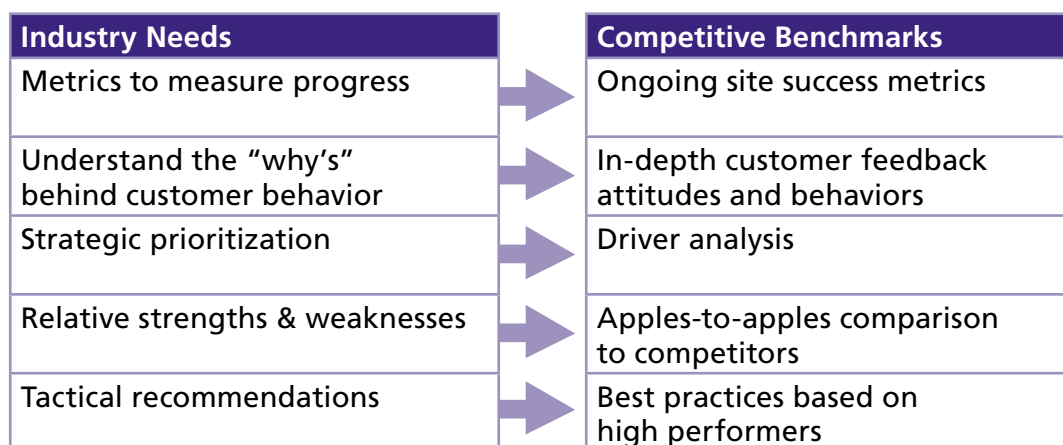
Keynote is the leading provider of customer experience research services, offering both syndicated and custom research examining consumer behavior on the Web.

Keynote's research provides critical business insight into online customer experiences, industry trends and competitive Web strategies for a variety of vertical industries. In addition to traditional opinion data, Keynote's proprietary research technology and access to a panel of 160,000+ consumers allows for the collection of detailed qualitative and behavioral data that inform its reports.

Keynote's syndicated research includes two distinct types of reports: the Keynote Customer Experience (CE) Rankings, which provide competitive benchmarking and rankings of the leading Web sites in a specific industry; and Open Web Research (OWR), which takes a broader look at the customer's experience across the entire Web when performing specific tasks, such as booking business travel.

Keynote CE (CE) Rankings are available for a variety of industries including the online travel, airline, cruise, rental car and vacation packages industries.

Competitive Benchmarks Provide Strategic Insights



Keynote Systems

Keynote Systems, The Internet Performance Authority®, is the worldwide leader in e-business performance management services. Over 2,100 corporate IT departments and 19,000 individual subscribers rely on Keynote's growing range of measurement and monitoring, service level and customer experience management services to improve e-business performance by reducing costs, improving customer satisfaction and increasing profitability.

For More Information

If you have a specific question about the information contained in this Keynote CE Rankings report, please contact us at 650-403-2400 or online at www.keynote.com.