

choice

AUSTRALIAN CONSUMERS IN THE TRAVEL MARKET
RESEARCH REPORT FOR PHASE 1 OF THE CHOICE TRAVEL PROJECT



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ABOUT US

Set up by consumers for consumers, CHOICE is the consumer advocate that provides Australians with information and advice, free from commercial bias. By mobilising Australia's largest and loudest consumer movement, CHOICE fights to hold industry and government accountable and achieve real change on the issues that matter most.

To find out more about CHOICE's campaign work visit www.choice.com.au/campaigns and to support our campaigns, sign up at www.choice.com.au/campaignsupporter



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Australian consumers in the travel market

1. INTRODUCTION

The CHOICE Travel project commenced following the deregulation of the Australian travel intermediary industry in July 2014. The project provides research, advocacy and information for Australian consumers in the travel market over 4 ½ years.¹

CHOICE started the project with the hypothesis that we needed to know much more about consumers' needs and experiences within the travel industry in order to assess the effectiveness of applicable consumer travel protections, policies and regulatory mechanisms over time. Part of our objective was also to ensure the experiences and needs of the culturally and linguistically diverse (CALD) community, including community members with a disability, are understood as the CHOICE Travel project is developed and delivered.

In late 2014 CHOICE completed the first stage of research through the project. The aim of this initial research was to provide a foundation the project's next stages, creating a better understanding of the issues facing Australian consumers in the travel industry, and ensuring that initiatives from government, industry and the consumer movement meet identified consumer needs. The research will be updated annually throughout the four years of the project in the form of a consumer travel trends report, assisting in tracking and raising awareness of key issues over time.

Scope

The report's scope is issues in the Australian travel market. For the purposes of this research, we have defined the Australian travel market to include domestic tourism, with a focus on car hire, accommodation and domestic flights. The report also focuses on the international tourism sector in which Australian companies or Australian law can afford consumer protection to the

¹ CHOICE was one of several groups invited by the nation's consumer affairs ministers to apply to establish a consumer voice in the travel industry. Following an agreement with state and territory governments in August 2014, CHOICE received \$2.8 million, to be spent over 4 ½ years. This followed a similar grant to the Australian Federation of Travel Agents to set up a voluntary self-accreditation scheme from 1 July 2014. Funding has also been provided to state and territory governments to raise awareness about the changes to the travel industry. For more information see <https://www.choice.com.au/about-us/media-releases/2014/august/consumer-voice-in-travel-industry>

traveller. The scope includes international flights that depart or arrive in Australia and website bookings for travel services. Overseas accommodation, tours and events are excluded from what we have defined as the Australian travel market for the purposes of this research.

Research approach

An initial research phase was managed by CHOICE's in-house Consumer Insights research team. Prior to undertaking direct consumer research, the team conducted desktop research to establish information that was already publicly available. Part of this research is included in this report. Research agency FiftyFive5 was then selected to undertake the direct consumer research, conducted in November and December 2014. FiftyFive5 was selected from amongst five proposals through a selection process run by CHOICE.

This report details the outcomes of this first research phase combining results from both FiftyFive5 and CHOICE. It is based on several inputs:

- A nationally representative quantitative survey of 1,100 Australian travellers aged 18-75 years. All participants had travelled internationally for holidays in the past 12 months and all had travelled domestically in the past.
- Consumer sector – interviews with a consumer advocacy group and a state-based Australian Consumer Law regulator.
- Culturally and linguistically diverse communities – interviews with a community legal centre in the outer suburbs of Sydney and a migrant resource centre in regional Victoria.
- Consumers with disabilities - interviews with six organisations representing and working with Australians with disabilities.
- Direct consumer research - 12 two-hour-long in-home in-depth interviews with travel planners heading to international destinations. The interviews used stimulus material representing different types of content and propositions. Before the interviews, the respondents also conducted a preparatory task by keeping diaries tracking their behaviour in specific travel-related tasks.
- 12 90-minute-long in-home and in-depth interviews with consumers who had experienced some travel-related issues. Recruitment of these respondents was guided by the quantitative component of the research, to ensure that the issues the respondents

had experienced were relatively common in the general public. These respondents also completed a preparatory task consisting of answering four questions for each stage of the planning process (dreaming, planning and booking). Their responses helped gain a sense of the information that participants were seeking and the sites they visited to obtain this information, and if they encountered difficulties finding relevant information.

- Two co-creation sessions, each with eight respondents, to further refine the results.

Key findings

The findings of the research are guiding activities across the CHOICE Travel project, including the creation and structure of information to meet identified consumer needs; where and how to reach those consumers who will most benefit from unbiased CHOICE Travel information and advice; and the priority issues for advocacy with industry, regulators and government across the travel market. The findings will also be communicated through direct outreach with other consumer advocacy bodies, industry and regulators.

Key insights from the research include:

- A clear majority (69%) of Australians who travelled recently encountered consumer issues, confirming that this is an important area for dedicated consumer advocacy and advice.
- The most common problems experienced in the past 12 months related to online bookings (in particular unexpected fees) and flights (in particular delays and cancellations), followed by issues with transport, travel agents, mobile phones and car hire. This indicates where information and advocacy under the project will be a priority.
- In terms of unexpected fees, 12% of customers that booked with credit card were unaware of additional charges. This has informed CHOICE's ongoing advocacy and campaigning to reduce excessive credit card surcharges.
- For a consumer to engage with solving an issue while on holiday it will need to be either exceptionally expensive and/or cause significant stress and disruption to the holiday.
- At the same time, consumers prefer not to dwell on issues they could encounter prior to their holiday, and information sources seen as being too negative tend to disengage travel consumers. These insights have helped frame the overall approach of CHOICE Travel, delivering unbiased information and advice in the pre-departure stage to help consumers avoid potential travel issues.
- Consumers from a culturally and linguistically diverse (CALD) background, especially newly arrived and older migrants, have a greater reliance on travel agents. Knowledge of consumer rights is extremely low to non-existent for many CALD communities, especially among newly arrived and refugee communities.

- For travellers with a disability there has been some improvement across many travel service industries in recent years; however all disability advocates interviewed believed that there remains a need for improvement.
- There is a major issue of service providers claiming to be ‘accessible’ when they are not. It is not uncommon for accommodation to be advertised as ‘accessible’ when it may have stairs to enter the lobby or bathrooms too small to fit wheelchairs.
- These insights will inform targeted outreach undertaken through the CHOICE Travel project, including through potential partnerships with consumer groups who work in these sectors.

2. Consumer issues

There are a myriad of issues that affect the travelling public. Our research found that 7 out of 10 (69%) Australian travellers had experienced a consumer problem, either domestically or internationally, in the last 12 months.² The research found that travellers are significantly more likely to experience problems on international trips, with 59% of survey participants experiencing problems when travelling internationally compared to 46% of travellers who reported problems with domestic travel.³

Top issues affecting travellers

The major issues affecting the Australian travelling public are ‘unexpected booking fees’ (15%) and ‘delays and cancellations’ (12%).

Table 1 – Summary of top consumer issues (domestic and international) in travel experienced over the past 12 months⁴

Total types of problems (grouped)	
Booking online 26%	Unexpected fees (15%), difficulties booking (8%) and wrong preferences delivered (2%)
Flights 24%	Delays and cancellations (12 %), poor customer service (6%), preferences not being delivered (5%) and lost/delayed luggage (5%)
Transport 19%	Being overcharged for trips (drivers taking the wrong/more expensive route), delayed services and poor service from drivers/etc. <i>NB: key themes based on free text comments, % not available</i>
Travel agents 18%	Difficulty rectifying mistakes (6 %), hidden fees (5%), preferences not being delivered (3%) and lost bookings (2%)

² The research was conducted amongst n=1,100 Australian travellers aged 18-75 years

³ Includes domestic and international travellers, travellers may have experienced problems on either a domestic or international journey, or both.

⁴ All participants had travelled internationally for holidays in the past 12 months and all had travelled domestically in the past. The sample was representative of the Australian population as per ABS Census 2011. Fieldwork was conducted between 8 and 11 November, 2014. Problems were asked for personal travel only. Excludes problems with business travel. The Fieldwork was administered by Lightspeed GMI Australia which is member of the Australian Market & Social Research Society (AMSRS) and abides strictly to codes of conduct for market research and panel management in Australia.

Mobile Phones 17%	Poor coverage at destination, cost of calls/data roaming (including unexpected bills on return), difficulty accessing mobile SIM/destination services generally <i>NB: key themes based on free text comments, % not available</i>
Car hire 14%	Hidden fees (6%), preferences not being delivered (4%), Terms and conditions unclear and communicated incorrectly (4%) and overcharging (3%)

Note: Top issues only listed above.

Domestic vs International issues

As would be expected, there is some variation between the issues that consumers experience when they are travelling domestically versus internationally. There are only two categories in which domestic issues exceeded international issues – these being ‘booking online’ (7% higher) and issues with ‘hiring of sports equipment’ (a marginal 1% difference).

Table 2 - Domestic vs International problems: Full list of problems experienced over the past 12 months

Problems experienced	Total*	Domestic	International
Base (n=)	1100	981	1085
None of these	31%	54%	41%
Booking online (e.g. hidden fees, difficulty rectifying mistakes, currency conversions, difficulty to get refunds etc.)	26%	23%	16%
Flights (e.g. delays, lost luggage, poor service etc.)	24%	13%	17%
Transport such as taxis, buses trains. (e.g. overcharging, delays, poor service etc.)	19%	11%	14%
Car Hire (e.g. hidden fees, difficult claiming deposit, dealing with insurance etc.)	14%	9%	8%
Accommodation (e.g. lost bookings, accommodations sub-standard, etc.)	14%	8%	10%
Booking through a travel agent (e.g. poor service, incorrect bookings, overcharging etc.)	18%	8%	14%
Booking direct with a company (e.g. with Holiday Inn, Qantas etc.)	10%	7%	7%
Mobile phones (poor coverage, unexpected roaming charges etc.)	17%	6%	15%
Activities such as excursions, attractions etc. (poor quality, not as advertised, bad service etc.)	10%	5%	8%
Peer to peer booking through social sites such as stayz, airbnb etc. – (e.g. accommodation falling through, claiming deposits, poor service, substandard accommodation etc.)	7%	4%	4%
Other hire such as sports equipment etc. (e.g.	5%	4%	3%

hidden fees, claiming deposit, sub-standard quality etc.)			
Luggage (e.g. lost, stolen, damaged etc.)	9%	3%	7%
Travel insurance (e.g. difficulty claiming, poor service etc.)	7%	3%	5%
Money including cash, credit cards, travellers cheques (e.g. lost, stolen, hidden fees, poor exchange rates, credit card fraud etc.)	8%	3%	7%
Cruises (e.g. cancellations, skipping destinations, poor accommodation, excess noise etc.)	6%	3%	4%
Medical emergency	5%	2%	3%
Immigration (e.g. visa issues, difficulties with migration agents etc.)	4%	1%	3%
Issues with government officials	3%	1%	2%
Problem with customs (e.g. items quarantined, excess charges etc.)	3%	1%	2%
Victim of crime	4%	1%	3%
Issues with local police	2%	1%	1%

Participants were able to give multiple responses. Significant differences at 95% confidence intervals are shown in green, tested international vs domestic.

* Out of the 1100 people surveyed, 981 have travelled domestically, while 1085 travelled internationally. If a traveller encountered a problem on both an international and domestic trip it would only count as one in the total column.

Credit cards and surcharges

The vast majority of bookings are made with credit cards. The quantitative research found that there are a variety of reasons for using a credit card which include the following:

- Not being aware of alternatives
- Being able to collect 'frequent flyer' points
- Using the card provides travel insurance
- More convenient/less hassle
- Didn't have enough funds for the trip - used credit on credit card
- Can claim refunds if service not delivered (charge-backs)

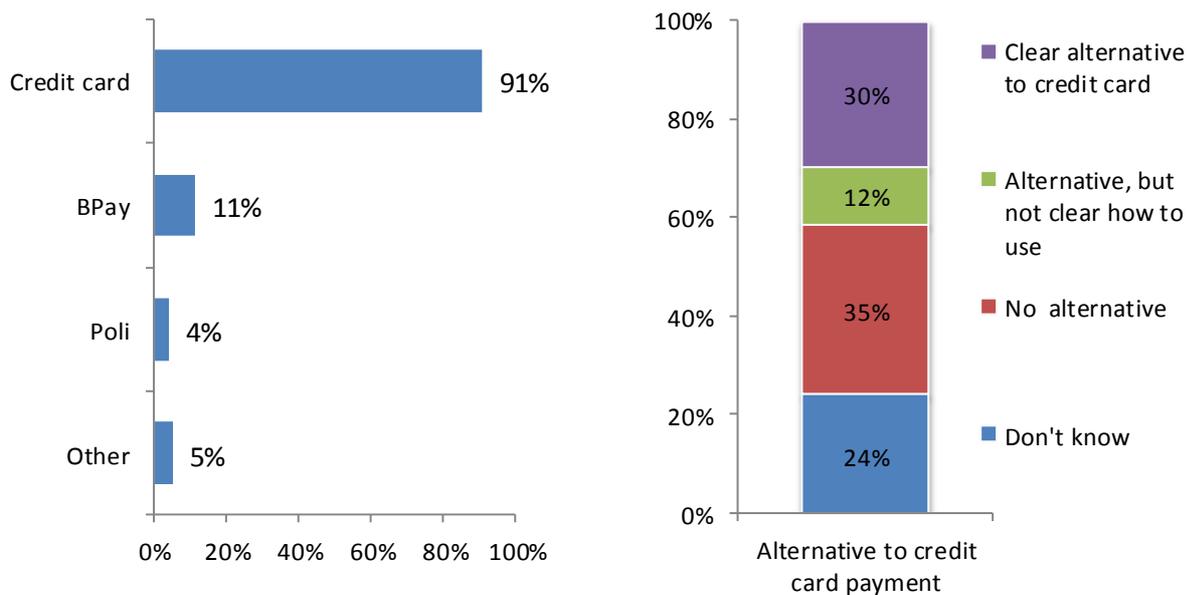


Figure 1: Left hand side 'Payment methods for online flight bookings', Right hand side 'Travellers awareness of alternative to credit card payment'.⁵

The quantitative research also discovered limited awareness of alternative methods of payments that did not involve a credit card. Of those who paid for a flight using a credit card in

⁵ Base: People who used credit card to pay for a flight in the last 12 months n=818

the last 12 months, 59% said they either didn't know of an alternative or believed there was none.

Consumer issues by life-stage

Families with young children (under 12 years) were more likely to experience travel problems than other travellers. This group was more likely to experience problems with most aspects of travel: booking online (38%), flights (27%), transport (26%), car hire (22%), and booking directly with a company (19%).

Travellers under 50 years (Generation Y & Generation X) were more likely to have problems with online bookings, accommodation and booking directly with companies. Younger travellers (Gen Y) were also more likely to have problems with activities and peer-to-peer bookings such as Stayz or Airbnb.

The below table displays problems experienced by life stage:

Table 3: Travel problems experienced by life stage: International or domestic

Problems experienced	Total	Under 35 no kids	Over 35 no kids	Young family	Older family
Base n=	1100	171	591	172	116
None of these	31%	24%	32%	26%	37%
Booking online	26%	38%	20%	38%	23%
Flights	24%	23%	23%	27%	27%
Transport	19%	21%	16%	26%	22%
Booking with a travel agent	18%	25%	16%	20%	13%
Mobile Phones	17%	18%	16%	19%	19%
Car hire	14%	17%	12%	22%	11%
Accommodation	14%	20%	11%	18%	14%
Activities	10%	14%	9%	13%	11%
Booking directly with company	10%	13%	7%	19%	7%
Luggage	9%	7%	8%	13%	7%
Money	8%	10%	7%	13%	6%
Peer to peer booking	7%	15%	4%	12%	3%
Travel Insurance	7%	8%	5%	14%	2%
Cruises	6%	10%	5%	7%	4%
Other hire	5%	11%	3%	12%	2%
Medical	5%	5%	3%	10%	5%
Immigration	4%	4%	2%	11%	1%
Victim Of Crime	4%	4%	3%	7%	1%
Customs	3%	4%	2%	8%	2%
Government	3%	4%	1%	8%	2%
Police	2%	2%	1%	7%	1%

Responses do not total 100% as participants were able to identify multiple issues. NB: Significant differences at 95% confidence intervals are shown in green (significantly higher than total) and purple (significantly lower than total), tested against total.

The life stages are defined as:

- Under 35 no kids - Aged 18-35 and single/married with no children. Or single or married with all children living out of home
- Over 35 no kids - Aged 35 years - 75 years and single/married with no children. Or single or married with all children living out of home
- Young family - Single, married or partnered with at least one child living at home who is aged 12 years or below
- Older family - Single, married or partnered with at least one child living at home who is aged 13 years or over (up to 18 years only)

3. Consumer attitudes to travel issues

The CHOICE Travel research shows that consumers prefer not to dwell on issues they could encounter prior to their holiday. Even the most involved planners who are intensely preparing every aspect of their trip are primarily focussed on the positive. Websites or articles that are seen as being too negative had a tendency to disengage travel consumers.

“Hmmm, I don’t really want to think about this sort of thing as I get ready for holidays – I might not want to go!” - Young family

“I am planning for the best holiday, not the worst” - Double income no kids

Navigating problems is seen as just ‘part of travelling’ and consumers are more likely to be forgiving of travel issues compared to problems encountered in other service industries. Small issues will be written off as consumers are keen to focus on enjoying themselves and don’t want to dwell on the negatives.

For a consumer to engage with solving an issue it will need to be either exceptionally expensive and/or cause significant stress and disruption to the holiday. Overall the research suggested that consumers are less willing to seek redress for travel related issues compared to those experienced with other types of services provides (for example telecommunications providers).

In addition consumers are less likely to use the internet to get advice on solving their issues. When experiencing a major problem they will often seek direct contact with someone who can resolve it (e.g. the airline or the embassy) and will try to speak to someone directly who can take immediate action.

Australian Consumer Law and travel

As part of the research CHOICE consulted with two consumer organisations; a volunteer-run state-based consumer advocacy group and a state-based consumer regulator.

The advocacy group noted that consumers only tend to seek out information about their consumer rights when presented with an immediate problem. While general knowledge of the Australian Consumer Law (ACL) and consumer rights is growing, this tends to be more so in the context of goods rather than services.

According to the state-based consumer regulator, improving awareness of consumer guarantees is a “strong focus of regulators’ national education efforts.” In recent years, regulators have released tailored information on how the consumer guarantees apply to travel services and accommodation. Guidance on the ACL and the car hire industry has also been distributed, in particular on prohibitions of unfair contract terms.

The consumer advocacy group noted the role for other dispute resolution processes, for example the Australian Federation of Travel Agents (AFTA) Travel Accreditation Scheme (ATAS) dispute resolution process for accredited travel agents and the Airline Customer Advocate for the major domestic airlines. Consumers having disputes with travel insurers can also make use of the Financial Ombudsman Service. However other sectors of the travel industry are not covered by third-party dispute resolution processes. There were concerns surrounding the Airline Customer Advocate and if it can adequately resolve consumer complaints given its limited powers.

Chargebacks

Credit card chargebacks offer an avenue for consumers to secure compensation should they not receive the travel services they have paid for, provided they paid for those services with their credit card. Credit card chargebacks have been promoted to consumers, including in the Australian consumer protection agencies’ ‘Pack some peace of mind’ campaign⁶, as a means to protect themselves in the absence of the Travel Compensation Fund. As part of the 10 stakeholder interviews CHOICE sought comment on chargebacks, resulting in a number of insights.

First there is concern over consumer confusion and lack of awareness of chargebacks. This lack of awareness may result in consumers not paying by credit card when they would otherwise, and consumers not invoking their chargeback rights when they have the right to do so. It was also noted that confusion can cause consumers to use payment methods incorrectly i.e. using their VISA/Master Card debit by selecting ‘Savings’, which leaves them unprotected. Raising awareness and eliminating confusion was a priority in the ‘Pack some peace of mind’ campaign.

⁶ See Consumer Affairs Victoria, ‘Pack some peace of mind – news alert’, 25 August 2014, accessed at <http://www.consumer.vic.gov.au/news-and-events/news-updates/pack-some-peace-of-mind-news-alert>

Secondly, there is inconsistency in the time horizons in which consumers are able to assert their chargeback rights. There are also time limits on claiming chargebacks which seem inappropriate for travel services, as trips are usually booked well in advance of the date the service is to be delivered and there is therefore likely to be an extended period from when a payment was made compared to when chargeback is likely to be lodged.

Thirdly, credit cards are less likely to be used by certain people in the community. It was noted that CALD consumers rarely use credit cards, and some, in particular older CALD consumers, are fearful of owning credit cards. Overall many CALD consumers prefer to pay in cash. Furthermore, consumers with disabilities are less likely to have access to credit facilities, including credit cards.

Lastly, it was noted that credit card surcharges create a barrier to using credit cards. The reduction of excessive credit card surcharges, in particular from Australia's domestic airlines, remains an advocacy priority for CHOICE.

4. Culturally and Linguistically Diverse (CALD) consumers

As part of the research two interviews were conducted with organisations working with CALD communities. One was a community legal centre in the outer suburbs of Sydney; the other was a migrant resource centre in regional Victoria.

Travel agents

The research suggested that CALD consumers, especially newly arrived and older migrants, have a greater reliance on travel agents. This is due to the following factors:

- There is limited knowledge of how to use online resources for booking and research (however older migrants may receive help with this from their adult children).
- Language barriers mean that consumers will use travel agents that share their language. In some cases these travel agents can be prominent members of the local community.
- However, consumers can also rely on word-of-mouth to find travel agents who may not speak their language, but have built a reputation within the local community.

Problems can arise when certain agents develop a customer base in a community simply because others in that community have used them before without necessarily comparing the quality or value of the services provided. In fact, according to one respondent, consumers would go from regional Victoria to metropolitan Melbourne to use an agent that they heard about from someone else in the community.

However, these travel agents may not be offering high quality service or competitive prices. One respondent noted that they were aware of other service sectors where providers developed their customer base because of a shared language, despite the often low quality of their services.

Knowledge of consumer rights

Knowledge of consumer rights is extremely low to non-existent for many CALD communities, especially among newly arrived migrants and refugee communities. Among these two

communities, the notion of consumer rights and the use of government regulators can be very unfamiliar.

The research indicated that CALD communities respond to grassroots campaigns that deliver information through trusted individuals and networks. A multi-pronged approach focusing on engaging these networks of community leaders and resources (such as migrant resource centres) and multi-formatted (written, video, audio) information in different languages is important. Simply relying on translated written materials will likely be ineffective – especially if they just exist online.

Type of travel

CALD consumers will primarily travel to visit family overseas. For older consumers in particular this may be considered more of an obligation than a holiday. This means that trips can often be at short notice, arranged as family obligations arise, and that travel is mostly to overseas destinations.

5. Consumers with disabilities

As part of the research six interviews were conducted with organisations representing and working with Australians with disabilities. These included more generalist organisations as well as those that work with Australians living with specific types of disabilities.

Almost all respondents noted that there has been considerable improvement across many travel service industries in recent years; however all believed there was room for improvement. While beyond the scope of this project, many respondents spoke of the inaccessibility of public transport in Australia.

While specific issues varied according to the nature of certain disabilities, there were a number of consistent key themes.

Attitudinal barriers

For many of the respondents one of the largest barriers for consumers with a disability in the travel sector was the attitudes of certain services providers.

In particular it is believed that there is a tendency to view accessibility only as a compliance cost. This creates a reluctance not only to make services accessible but to offer services to consumers with disabilities at all.

For example one respondent said that accommodation providers with accessible rooms tend to view them as “wasted rooms” and often leave them unused. Another respondent said that some service providers would refuse to accept consumers with a disability at all unless they were accompanied by a carer, even if the consumer doesn’t require a carer.

“Even before the physical barriers...the greatest barriers are attitudinal ones. It’s the attitudinal barriers that are the most damaging for people and that excludes them the most.”

“A lot of it is attitude. If we could change the attitude I reckon 50% of accessibility problems would dissolve.”

While some respondents noted that travel agents can be very helpful – especially if they have experience working in the human services sector – others noted that these attitudinal barriers can extend to travel agents as well. There are cases of travel agents that seem unwilling to even look on behalf of consumers for accessible travel services.⁷

However experiences can also vary greatly depending on the attitudes of individual staff members. For example one respondent said the following concerning experiences with airline staff while being assisted in the transfer from airport security to the plane.

“Some of the staff have a very adversarial action around this. There are those who actually want to help you, basically on your side and make your flight as best they can, and then are others that will basically throw the rule book at you about what they can and can’t do. I think there [needs to be] further staff training around how to negotiate assistance with people with disabilities.”

Many respondents felt that if businesses could change their approach to accessibility they would not only make their services more available to consumers with disabilities but would increase their potential market, competitiveness and profitability.

Lack of awareness

The respondents detailed numerous ways in which general lack of education and awareness of disability impacts consumers when they travel.

Similar to attitudinal barriers, this can vary between staff members. While it was noted that education of staff has improved in recent years, there are still cases of staff members who lack an understanding of their own company’s policies and lack a “practical awareness” of different disabilities.

This lack of awareness can extend to the companies themselves and the policies they use. For example, one respondent said that consumers requiring wheelchairs are moved to aisle wheelchairs too early. There is a lack of understanding that wheelchairs are often custom designed and that aisle chairs lack the support that some consumer may require.

⁷ It is worth noting here that section 3.5 of the ATAS Code of Conduct includes a commitment to “take all reasonable measures to assist customers with a disability or who require additional help, in accessing our travel services.”

There also appears to be a lack of understanding about what accessibility actually entails. There is a major issue of service providers claiming to be 'accessible' when they are not. This is a concern for accommodation in particular. It is not uncommon for accommodation to be advertised as 'accessible' when it may have stairs to enter the lobby or bathrooms too small to fit wheelchairs.

Consumers cannot rely on claims of accessibility and will generally need to call services directly to verify. Even in these cases they may still encounter accessibility issues once they arrive, which can have a significant impact on their trip. Some consumers request floor plans to check themselves. However the constant need to check and verify that an 'accessible' service is genuinely accessible adds an enormous burden on consumers, when it should be the service provider's responsibility to ensure their claims are not misleading or inaccurate. Without a more formal accreditation system with resources to enforce compliance or greater enforcement of false 'accessible' claims, this burden will continue to fall on consumers.

Airlines and airports

Once again respondents noted the improvements made in the airline industry recently. However there remain areas for future improvement.

Firstly, there remain gaps in the whole journey. While 'meet and assist' services aid consumers in getting to their gate, there are other parts of the journey, such as from the drop-off to the check-in desk, which are not addressed. Not all airlines will assist consumers to the baggage area or taxi rank once they land. Low-cost airlines in particular fail to provide whole of journey assistance and travel on low-cost carriers can be almost impossible for many consumers unless they have a carer with them.

Secondly, consumers are often assisted at the leisure of the airline. While respondents acknowledged the time constraints on airlines there was still a belief that in many cases, consumers are often left waiting for assistance for too long.

Thirdly, there are still accessibility issues. In particular, the two-wheelchair-per-plane and two-assistance-dogs-per-plane policies were noted as causing disruption – especially for those travelling in groups. It was also noted that with the move to touchscreens with no audio output, entertainment systems are often inaccessible to consumers with vision impairment. Flight attendant call buttons can also be included on the touchscreen and therefore cannot be

accessed. Consumers with vision impairment are also unable to get advanced or accessibly formatted versions of customs forms for international flights.

Experiences with airports vary. Older airports lack certain features while newer ones perform better – for example having private areas to move to aisle wheelchairs. The lack of privacy at security can be an issue at older airports too considering consumers requiring the use of wheelchairs or assistance dogs will often be individually padded down.

The Disability Discrimination Act

By and large respondents believed that a significant proportion of Australians with disabilities do not fully understand their rights under the Disability Discrimination Act (DDA), so more education of consumers themselves (and not just travel providers) may be needed.

However for consumers with disabilities the burden to assert their rights is constant. This can be extremely tiring, especially in travel. For example one respondent noted that many international airlines will ask some consumers with disabilities to sign liability waivers. Once outside of Australia consumers cannot make use of the DDA, however this is a discriminatory practice that many lack the desire to contest when they are catching connecting flights on a long haul journey.

6. The travel purchase journey

The CHOICE Travel research built on existing market research to establish the following end-to-end purchase journey for travel: Dreaming, Planning, Booking, Preparation, Destination and Post-Destination. These are detailed in Table 5 below.

Table 5 – The consumer travel purchase journey

	Goals	Mindset	Timing	Resources used
Dreaming	<ul style="list-style-type: none"> Decide where to go Decide how long to go for Decide on the type of holiday 	Whimsical, thoughtful, excited, open-minded	Ongoing; the dreaming never really stops	<ul style="list-style-type: none"> Social media Expert sites Newspaper travel sections Word of mouth Inspiration from TV and movies
Planning	<ul style="list-style-type: none"> Refine destination (city, airport) Get best prices on flight Find best accommodation for budget 	Practical, shrewd, pragmatic (what I want vs what I can afford)	3-9 months prior for international travel	<ul style="list-style-type: none"> Comparison sites Travel agents (online and offline) Airline and hotel websites Social sites (verifying commercial sites) Word of mouth

Booking flights and accommodation				
Preparation	<ul style="list-style-type: none"> • Get everything needed to get you there (e.g. visas) • Get what's needed once you arrive (e.g. money) • Get the most out of the trip (e.g. research local activities) • Get travel insurance 	Excited, thoughtful, absorbed, a little overwhelmed	3 months prior right up to leaving	<ul style="list-style-type: none"> • Insurance comparison sites • Insurance web sites and apps • Destination web sites (i.e. those run by a country's tourism department) • Expert sites
Destination	<ul style="list-style-type: none"> • Enjoy every second! 	Open minded, roll with the punches, easy going	During	<ul style="list-style-type: none"> • Concierge • Local guides (online and offline) • Traveller word of mouth • Embassy and service providers
Post-Destination	<ul style="list-style-type: none"> • Unpack • Capture memories • Start planning for next holiday • Solve issues 	Post-holiday blues	1-3 months after returning	<ul style="list-style-type: none"> • Directly with the company • Ombudsman (very few)

Historically consumers were restricted in how they engaged with this cycle, usually relying on travel agents, media and word-of-mouth. More recently, the internet has opened all stages of the cycle to consumers and given them access to a new breadth and depth of information. The internet has also allowed them to bypass retailers and access products, services and wholesalers directly.

Consequently the distinction between stages of the travel purchase journey has blurred. The journey is not strictly linear and consumers will move between the stages, particularly between Dreaming-Planning and Planning-Preparation.

How are consumers planning travel?

The internet is integral to almost all stages of the travel purchase journey. This is true even for those consumers who ultimately book offline through a travel agent.

Research by Google⁸ building on two studies by Nielsen and GFK of consumers in the UK found that 90% of both offline and online bookers went to the internet during the research and product search phases of the purchase journey. The research also examined the amount of sites that consumers visit when planning their travel.

Table 6 – Internet use by travellers

	Online Bookers	Offline Bookers
Number of search sessions	16.7	11.9
Overall time spent online	129 minutes	94 minutes
Number of sites visited	32.5	22.5

Source: Google research⁹

While the number of sites was lower for offline bookers they are still using the internet extensively while planning and preparing their travel.

The CHOICE Travel research found that holiday-makers visit multiple sites during the Dreaming, Planning, Booking and Preparation stages to check and verify them against one another and against advice they are receiving offline.

The research identified three ‘types’ of sites that consumers will visit during the travel purchase journey:

- **Sponsored sites** – aggregator and comparison sites (e.g. Expedia and Compare the Market), company websites (e.g. qantas.com.au) and official tourist sites run by governments (e.g. balitourismboard.org)
- **Social sites** – User review sites (e.g. TripAdvisor and Wikitravel)
- **Expert sites** – Information from ‘expert’ and authoritative commentators (e.g. smartraveller.gov.au and Lonely Planet)

⁸ May, K., (2013), *Deep dive into travel research activity by online and offline bookers*, <http://www.tnooz.com/article/travel-research-google-online-activity#sthash.KPAWJ6bd.dpuf>

⁹ Ibid

Each of these resources has perceived benefits and limitations which is why consumers will use different sites to verify the others and ensure they get the 'right' answer. These perceived benefits and limitations are summarised below.

Table 7 – Benefits and limitations of different sites in travel

	Sponsored sites	Social sites	Expert sites
Benefits	<ul style="list-style-type: none"> • Possible to research and purchase without leaving the site • Comparison sites seen to have an adequate range of brands/products 	<ul style="list-style-type: none"> • No agenda • Written by travellers 'like me' • Based on personal experience • Great at subjective answers (opinion) • Up-to-date reviews 	<ul style="list-style-type: none"> • Reliable information
Limitations	<ul style="list-style-type: none"> • Commercially motivated and therefore their information is somewhat questionable • Not expected to be genuinely unbiased 	<ul style="list-style-type: none"> • Light on actual facts • Not robust or a full market view • Need to 'wade through' a lot of opinions to get a clear understanding • Some lack information specifically for Australian travellers 	<ul style="list-style-type: none"> • Government sites are dense and dry • Can be hard to find exact information • Can seem alarmist and negative • Not sure how up-to-date they are

While each of these types of resources may be more likely to be used in certain stages of the purchase journey, all have a presence throughout the process. For example the following diagram details the flight booking journey for an older family looking for flights for a family holiday to Greece.

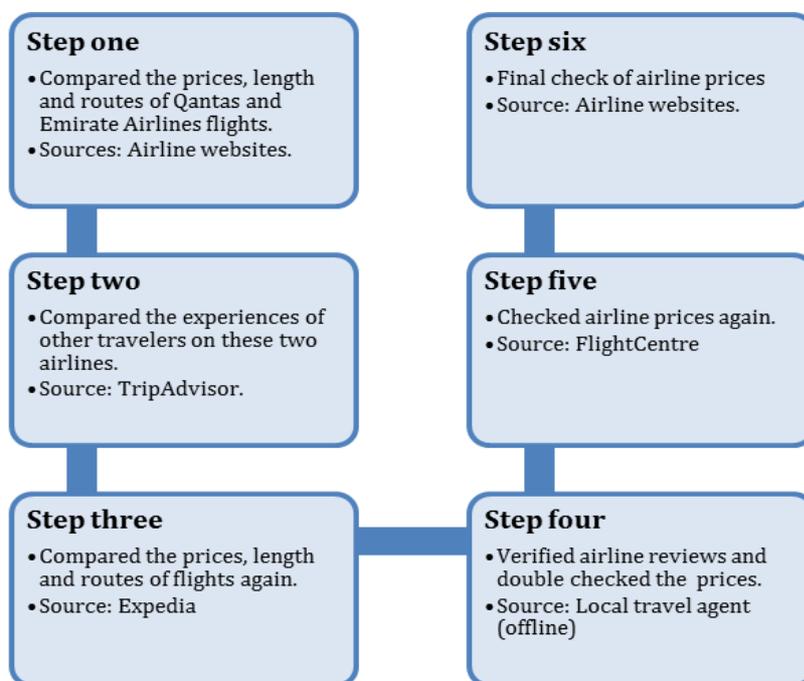


Diagram One - Flight booking journey for Older Family looking for flights for a family holiday in Greece

The use of multiple websites is not just a way to overcome the shortcomings listed in Table 3. There are other reasons for consumers taking this approach.

Firstly, particular websites will often specialise in defined tasks or stages of the purchase journey (finding a flight, comparing hotel rooms, etc.). The research found that most consumers are not using any one offline or online resource as a Dreaming to Post-Destination all-in-one solution.

Secondly, consumers don't trust a single site to give them all the information they need to make the best decision. Even websites that are respected, widely used and seen to give accurate and up-to-date information will be checked against other sites. Consumers are sceptical about claims that a site offers all the information they need.

Thirdly, many travellers *enjoy* the planning process. The planning process is considered an integral part of travel process and is something to be enjoyed.

Different types of travel consumers?

The research defined three broad segments of travel consumers that are most likely to access unbiased information and advice in the pre-departure stages of their trip.

Anxious planners are motivated by the desire to avoid on-the-ground problems and to have a smooth, hassle-free trip. They need reassurance that they have thoroughly prepared and thought of everything so they have a seamless holiday.

Excited and engaged planners consider the planning a part of the enjoyment of their holiday. They need help with the ‘necessary boring stuff’ so they can get the most possible enjoyment.

Shortcut lovers are not natural planners but need to organise an upcoming holiday. They find the whole process quite overwhelming and unenjoyable and would prefer to hand the problem over to someone else or at least be assured they have some kind of safety net so they don’t have to work so hard planning. They’re looking for simple, clear advice and recommendations - they don’t want detail.

Importantly, these segments are transient and consumers will move in and out of them depending on a number of variables that relate to their specific trip. These variables include the budget for the trip, its length, the familiarity and risk associated with the destination, and its emotional significance. The diagram below indicates when it is likely a traveller will undertake research for their upcoming trip (on the left hand side), compared to when less planning is likely to occur (right hand side).

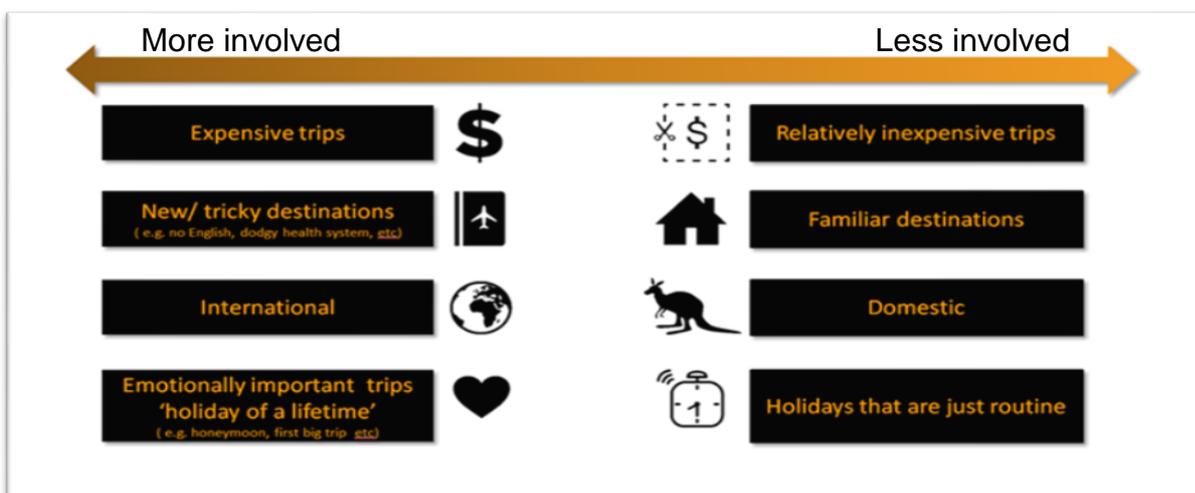


Diagram 2: Involvement of holiday planning

Appendix a: Credit Card Surcharges

What we found

- The vast majority of Australians are booking flights with credit card (91%).
- Almost 1 in 5 (19%) people who booked a flight online in the past 12 months used an alternative payment method to a credit card. The most common method is BPay (11%).
- The majority of Australian travellers are aware there are additional charges for credit card payments (86%). 88% who booked a flight online were aware of credit card charges.
- While only 14% of Australian travellers are not aware of credit card surcharges, 28% of 18-34 year old travellers are not aware of credit card surcharges.
 - 40% of 18-34 year olds who actually used a credit card to book a flight were not aware they had been charged a fee to use it.
- The presence of alternative payment methods to credit cards is not clear to travellers.
 - Only 3 in 10 travellers (30%) said there was a clear alternative to credit card payment. 18-34 years are the most aware of these alternatives (36%), but still they are not using them.
 - 35% of respondents said there was no alternative.
 - 12% saw an alternative but were unsure how to use it.
 - A quarter of consumers couldn't recall if an alternative payment method was provided.
- The main reasons people chose to use their credit card over alternative payment methods even if they were aware of an alternative payment method was to collect reward points, for credit card insurance and because the alternative payments are not as easy/more hassle than using a credit card. See key themes below.

Reasons for not using the alternative method to credit card payment that was offered: (key themes)

- Points get allocated onto your credit card
 - *I don't use the alternatives. I get reward points from my credit card.*
 - *I'm lazy. I would rather stick to what I know and have used in the past, additionally I get points via credit card so in a way the excess is slightly worth the extra fee I pay.*
 - *The points I get for using the card was more than the money I paid for using the card.*
- I get travel insurance with my credit card
 - *I get award points with a credit card and also I get free travel insurance for using it.*
 - *Using a credit card is easier added to which the credit card attracts frequent flyer points and provides travel insurance.*
 - *I needed to pay a portion of my holiday via credit card to access travel insurance linked to the credit card.*
 - *Insurance is included with my credit card if travel purchased by card - makes it simple and cheaper.*
- Too much hassle to use the alternative
 - *It was more convenient to use a credit card at the time.*
 - *I didn't use it because I didn't understand how to use it, & how it works.*
 - *too much of a hassle.*
 - *too complicated and time limited.*
 - *The bookings were made in somewhat of a hurry, thus the costs were absorbed as an expedience.*
 - *Too much trouble. Easier to use the card.*
 - *Too confusing, just wanted to secure my booking and be done with it.*
 - *Hard to understand the details.*
- Didn't have this amount of cash available
 - *Wanted to travel without saving first.*
- Safety
 - *Felt safer using credit card facilities as the bank will refund if anything wrong.*

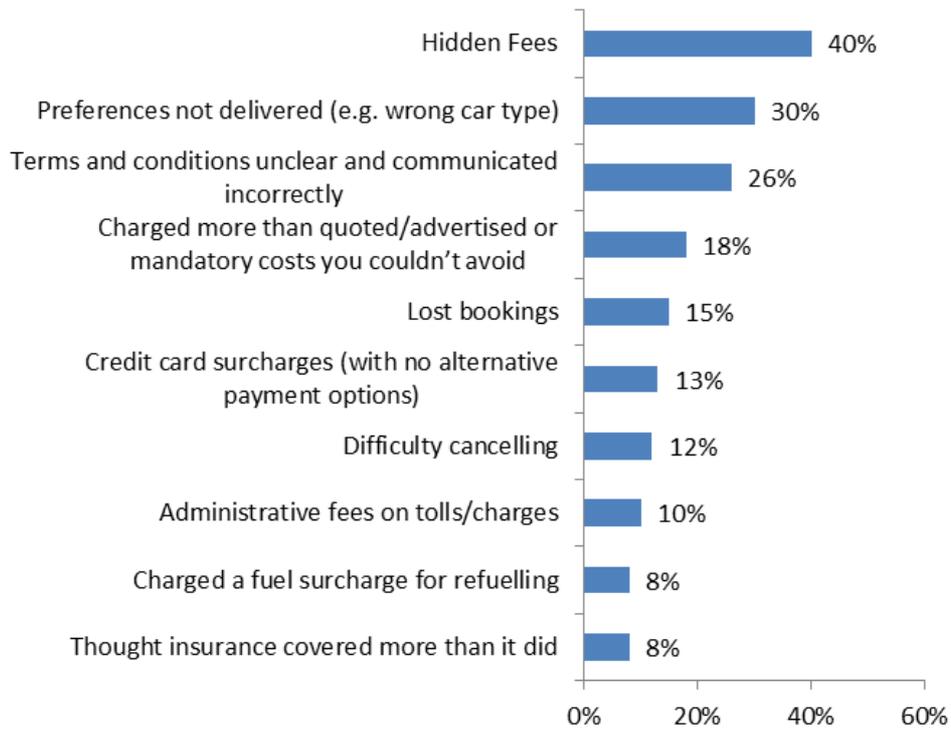
Appendix b: Car Hire Findings

What we found

- 9% of Australian travellers had problems with car hire domestically and 8% had problems with international car hire in the past 12 months. Car hire is one of the most common domestic travel problems.
 - Young travellers are significantly more likely to have problems with domestic car hire (14% of 18-34 year olds).
- The main problems people experience with car hire are:
 - Hidden fees 40%.
 - Preferences not delivered (i.e. wrong car type) 30%.
 - Unclear terms and conditions 26%.
 - Charged more than quoted/advertised or mandatory costs you can't avoid 18%.
 - The most common car hire problems are the same domestically and internationally, although international travellers are more likely to have a problem with the car not being available or their booking being cancelled (11% vs 3% for domestic).
- Car hire issues can have a significant impact on a holiday especially for families or when alternative transport is costly or not available e.g. in smaller centres.
- Car hire issues can be difficult to resolve.
 - If the car booked is not available they feel there is little they can do; or
 - If they're not getting help at the branch, they don't know who to call for a solution.
- Car hire can be a point of travel insurance pain. Some people assume their travel insurance covers car hire, only to find it is very limited or non-existent.

Charts and tables

Main car hire problems: Problems experienced in the last 12 months



Base: All travellers who experienced car hire problems in the last 12 months n=157

Domestic & international car hire problems

Car hire problems experienced in the last 12 months	Total (domestic or international problems)	Domestic problems	International problems
	n=157	n=89	n=92
Hidden Fees	40%	39%	46%
Preferences not delivered (e.g. wrong car type)	30%	29%	32%
Terms and conditions unclear and communicated incorrectly	26%	26%	29%
Charged more than quoted/advertised or mandatory costs you couldn't avoid	18%	16%	20%
Lost bookings	15%	17%	12%
Credit card surcharges	13%	12%	18%
Difficulty cancelling	12%	18%	9%
Administrative fees on tolls/charges	10%	13%	11%
Thought insurance covered more than it did	8%	8%	9%
Charged a fuel surcharge for refuelling	8%	11%	9%
Difficulty claiming a refund	7%	7%	12%
Overbooking	7%	9%	7%
The car you booked was not available or your booking was cancelled	7%	3%	11%
Costs were charged to your card without your knowledge	6%	6%	8%
Given responsibility for damage you didn't cause	6%	6%	8%
Car was not fit for purpose	6%	4%	9%
Charges associated with cancellations	5%	7%	5%
<i>Total types of problems (grouped)</i>			
Total fees issues (Hidden Fees OR Credit card Surcharges)*	45%	44%	53%
Total car issues (Preferences Not Delivered OR Not Fit Purpose)	33%	31%	37%
Total availability issues overbooked OR Booking cancelled/Not Available OR lost booking	25%	25%	26%
Total cancellation issues Difficulty cancelling OR Charges associated with cancelling	13%	20%	10%

*Credit card surcharges may not be hidden – most consumers are aware of them

Other issues people mentioned:

1. Additional driver charge
2. Broke down
3. Car booked did not have satnav so ordered one but when we got to car discovered to had one built in and we'd already paid for hire of one - they did refund though
4. Confusion
5. Difficulties extending hire from a country different to the country of origin
6. Insurance paid in online booking wasn't accepted by car hire company. Had to let them put hold on credit card until several weeks after car returned
7. Poorly trained agent
8. Satnav not current
9. Vehicle was much older and equipment shabby compared to what we had ordered and thought we were booking also gave us the incorrect pick up address causing issues

Qualitative findings based on in-depth interviews with consumers who experienced travel issues

The car that was booked is different or inferior to the car that is received at pick up:

Consumers find this issue near impossible to resolve when it occurs; if you are short on time and that's all they have, you have to take it and hope that you can seek redress later.

The car not being ready on time: Some people turn up to collect a car and it is not ready or not there at all. The problem here is that small delays can have a significant flow-on impact when holidays are booked down to the hour.

Just not knowing who to call for a solution when issues occur: Rental cars are often booked online and often through a global booking site (or aggregator). When something goes wrong at a small pick-up branch, it can be difficult to find a solution quickly. In some cases, they call a head office that may be quick to pass the buck back to the branch. There is a real feeling of helplessness in this situation.

Rental cars can be a significant cause of travel insurance pain: Some people assume that they have some form of rental car cover from their travel insurance, only to find it is very limited or non-existent.

When do car hire issues have the most impact?

The significance of the potential 'knock on effect': Car hire can be a critical element of the trip. The longer the problem takes to resolve, the more significant the overall impact it will have on the rest of the trip.

Who is in the travelling party: If it is a young couple without kids, they can work around this and at most it may be annoying and costly. If you are travelling with a family (especially young kids) it can be very stressful – idle time, trying to distract young children and resolving problems.

The type of destination:

- **Size of centre:** If the destination is a major centre there are generally a number of alternatives that can be sought at short notice.
- **Need for own car:** If it is a rural area or area that a rental car is critical to get around in then there is often no work around solution. The holiday essentially stops.
- **General cost of transport at the destination:** The more expensive the destination, the more costly this issue can be, e.g. using cabs instead of a rental car in Australia!

The traveller's budget: Rental cars can be a significant expense - especially for domestic travellers on a budget. This heightens the stress and increases the feeling for people that they are being ripped off. In many Australian destinations, people feel it is unavoidable to use a hire car as public transport is often sub-par so people have to hire a car, but sometimes grudgingly. When things go wrong it adds insult to injury.

Consumer needs when things go wrong with car hire rental

Quick resolution: When things go wrong with a rental car, the holiday often grinds to a halt. At this point getting moving again ASAP is the biggest need. Cost and comfort generally come second to this. It's all about minimising the impact of the issue on the overall holiday. People seldom have time to resolve car hire issues at the time and generally find a work-around with the hope that they can follow up and resolve this issue later – usually post-holiday.

Appendix c: Travel Insurance

What we found

- 81% of people took out travel insurance for their last international trip.
 - Younger travellers are significantly less likely to take out travel insurance (70% of 18-34 years vs. 90% of 50-64 years).
 - People with young children are significantly less likely to take out travel insurance (68%).
- Over half of people find it easy to choose the right travel insurance for their needs (56%), but 1 in 5 (21%) find it complicated.
 - Younger people and young families are significantly more likely to find travel insurance complicated, with just over 1 in 4 finding it very or quite complicated (27%).
- Over a third of people added travel insurance to their flight bookings in the past 12 months (36%).
 - A quarter of those didn't read the Terms and Conditions (25%).
 - Young travellers (38%) and young families (32%) in particular are less likely to read the Terms and Conditions of policies purchased with flight bookings.
- 3% of people travelling domestically and 5% of people travelling internationally had problems with travel insurance. The most common problems with travel insurance were:
 - Exclusions 41%
 - Travellers may often be aware of the inclusions and various pricing comparisons, but not the exclusions and/or watch-outs when purchasing.
 - Rejected claim 30%
 - Some of these may be related to destination: Travellers may know that insurers assess risk by destination, but not why or how.
 - Hidden fees 21%
 - Higher than expected excess 21%
 - Claiming too late 21%
 - Issue with how paperwork was originally completed 12%
- Young travellers and young families are significantly more likely to have issues with travel insurance:

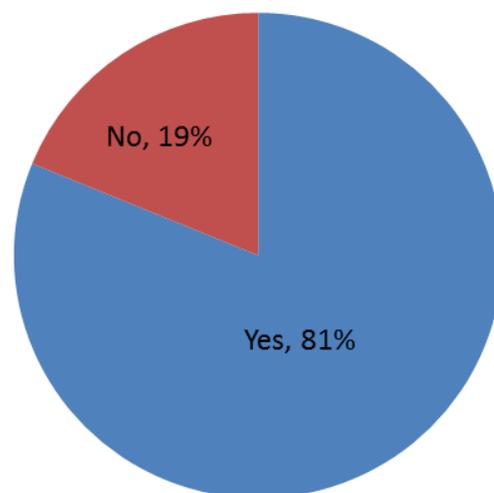
- Domestic problems: 6% of under 50 years vs. 2% 50 years+, International problems: 7% of under 50% vs. 3% for 50-64 years.
- Domestic problems: 9% of young families vs 3% total sample, International problems 10% of young families vs 5% total sample

Conclusions

- Young travellers and young families are having the most issues with travel insurance:
 - These groups are most likely to find travel insurance complicated.
 - They are less likely to read the T’&C’s when purchased with flights - compared with other travellers.
 - They are less inclined to take out insurance when travelling.
 - They are more likely to have more problems with travel insurance.
- Travel insurance issues were mostly to do with exclusions, rejected claims and hidden fees.

Charts

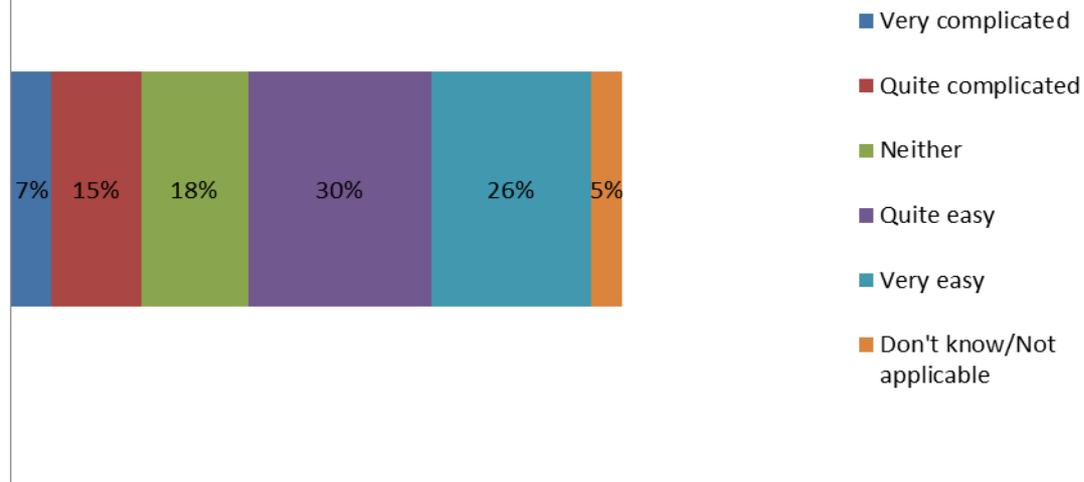
% Took out travel insurance last international holiday



Did you take out a travel insurance policy for your last international holiday (non-business travel)?

Base: Total sample N=1100

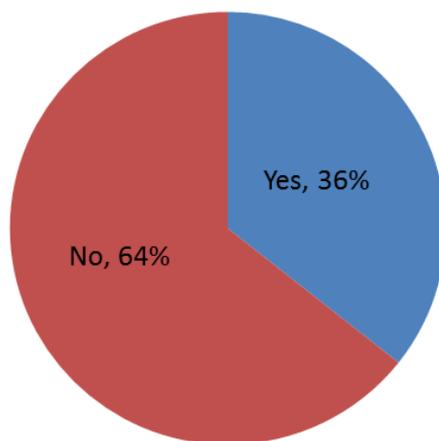
Degree of complexity - Travel insurance



How complicated is it to find a travel insurance product that best suits you?

Base: Total Sample N=1100

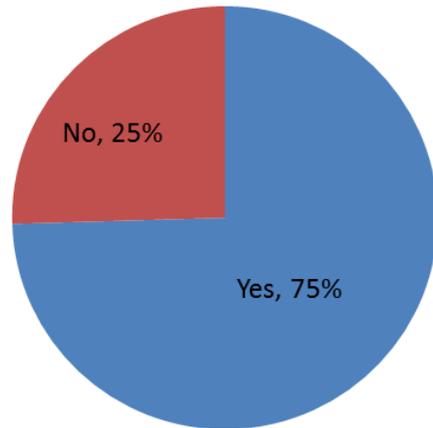
% Added travel insurance to flight bookings



For any trips that you have booked in the past 12 months, did you choose to add travel insurance to your flight booking?

Base: Those booked airline ticket in P12m n=903

% Read Terms and Conditions before purchasing



Did you read the Terms and Conditions before purchasing the travel insurance with your flight?

Problems experienced with travel insurance



Base: Those who booked an airline in P12M + purchased insurance w flight n=322

What was the nature of the issue when you had experienced a problem or an issue with travel insurance?

Base: Those who had issues with travel insurance on a holiday in the past 12 months n=73