

Tripped Up!

Why Trip Planning Startups Stumble

Mike Coletta

Senior Manager of Research and Innovation, Phocuswright

Gilad Berenstein

Founder, Brook Bay Capital and Founder, Utrip



Definition of a "Trip Planning Startup"

Standalone, consumer-facing (B2C) startup company, focused on helping leisure travelers discover trip ideas, map out their itinerary, and/or consume content during the planning phase. Often aiming to be VC-backed and looking to build a large business.

Not:

Standalone company, or tool within a company, focused on helping high-frequency travel customers plan and book more efficiently e.g. B2B side serving business travelers or travel agents. May be VC-backed but knows its market limitations. Or a B2C trip planning company in China...



The Beginning? 1998...

Watch it here.





Phocuswright

Mike's Experience

Mike's Experience

iJourney

Planner
2001-2002



Inspiration 2003-2006



Blog/Content 2006-2016



Domain Development (USA.com, Europe.com) 2007-2010



Metasearch 2011-2013



Online Monetization 2011–2013



Mike's Experience







Travel for Events 2012-2016



Accelerator 2014-2015



Incubator 2015-2017



Research and Events 2017-Present



Phocuswright Pitch Competitions



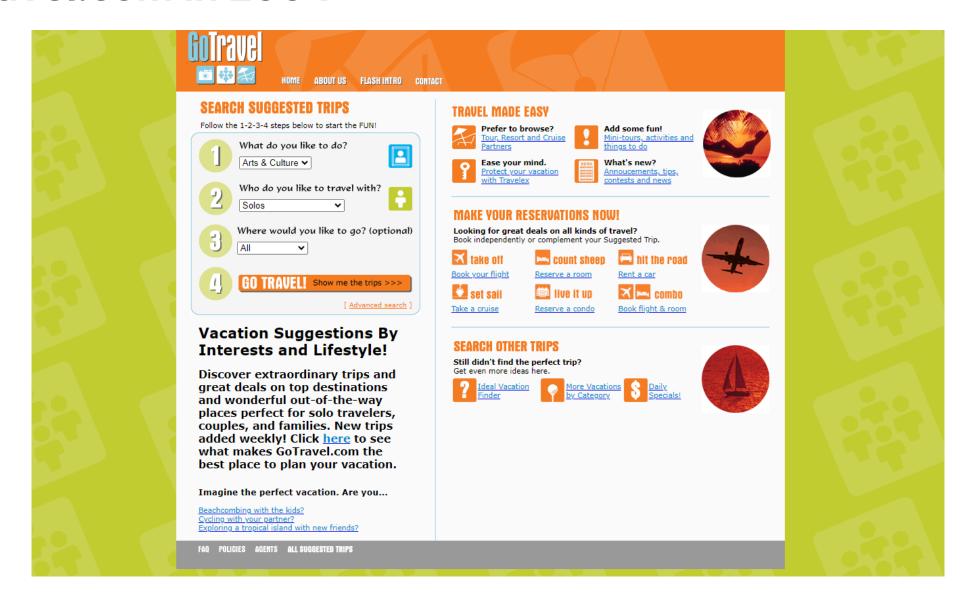


Learn more and apply:

https://www.phocuswright.com/Events/Phocuswright-Innovation



GoTravel.com in 2004







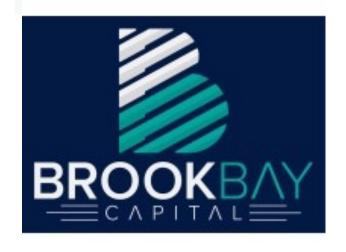
Gilad's Experience

Gilad's Experience













What Does The Data Say?

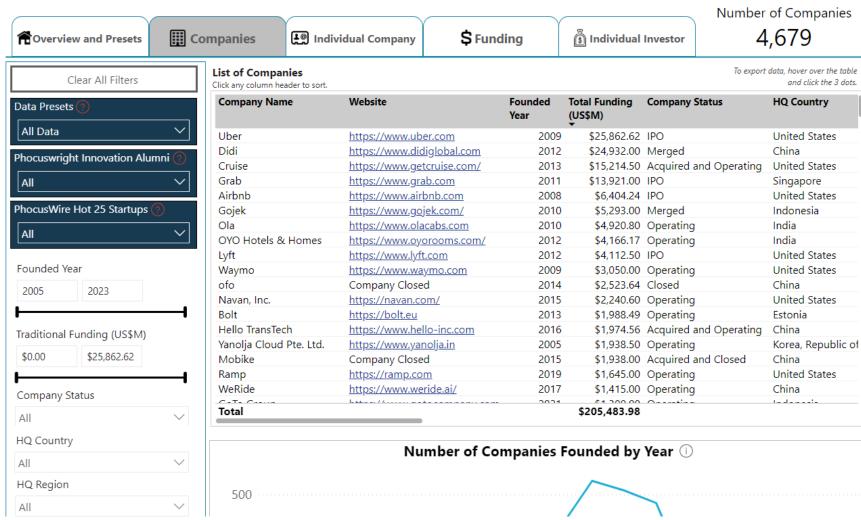
Access the database here.

Our Database

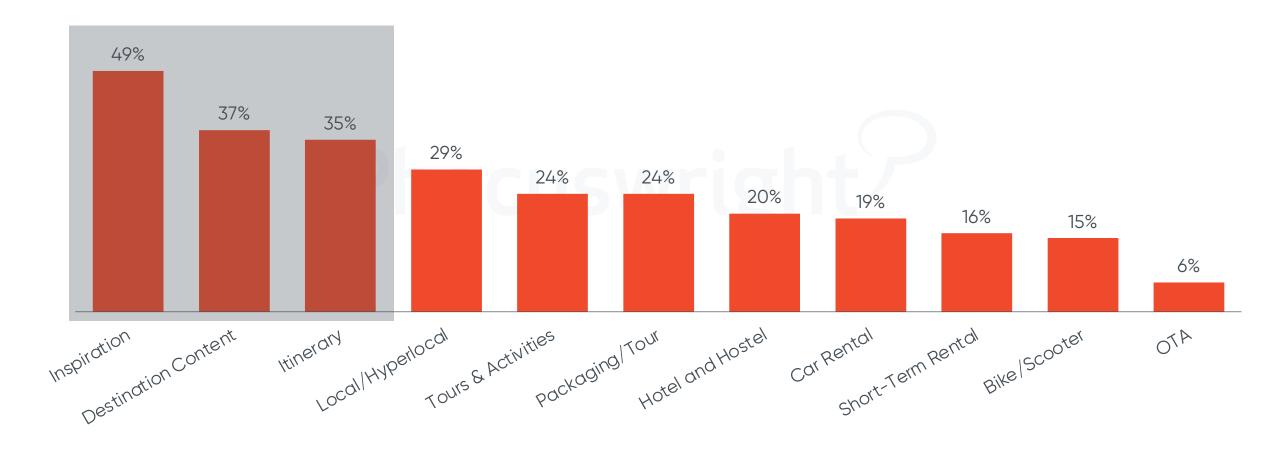


Travel Startups Interactive Database

? Click here to view our Glossary and FAQs

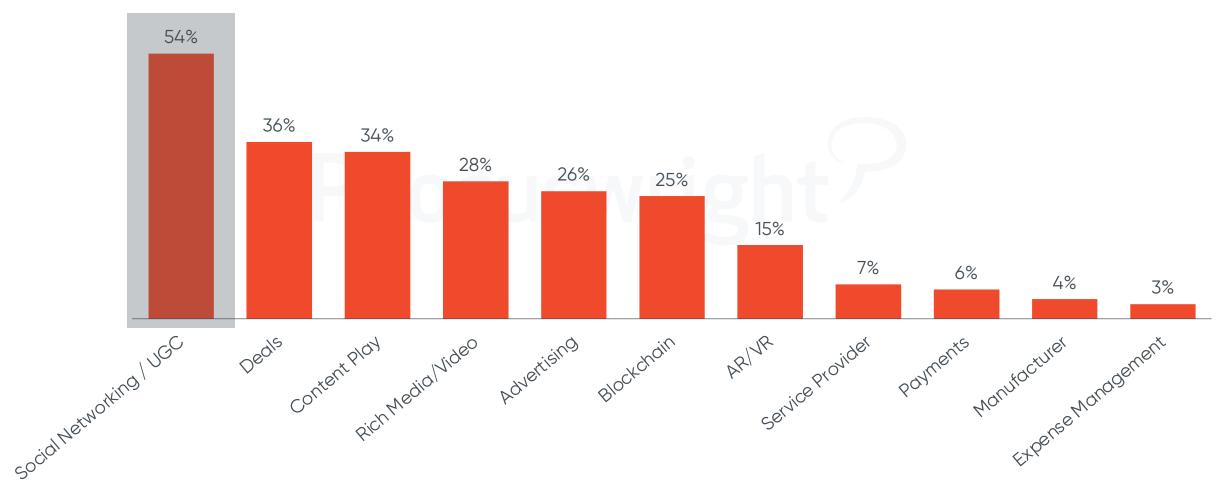


Share of Companies Closed by Vertical Category (%), 2005–1Q24



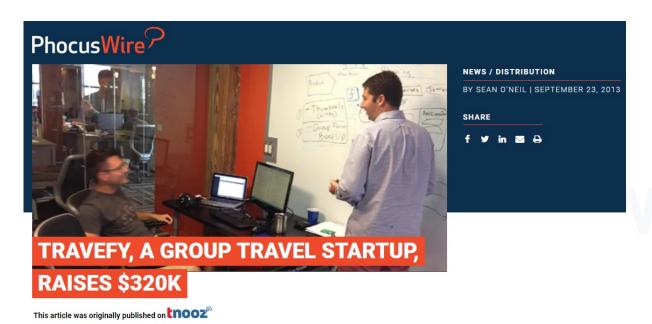


Share of Companies Closed by Horizontal Category (%), 2005–1Q24





Notable Pivot: Travefy in 2013 and 2016



Getting all your friends or family members on the same page about planning and paying for group travel has always been a hassle. But one company is trying to update the sector to suit the internet era.

Read it here.







What's the Problem(s)?

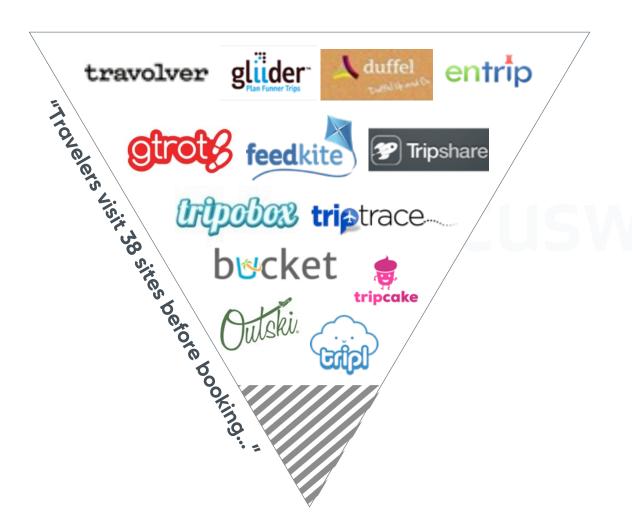


Problem: Most people enjoy trip planning

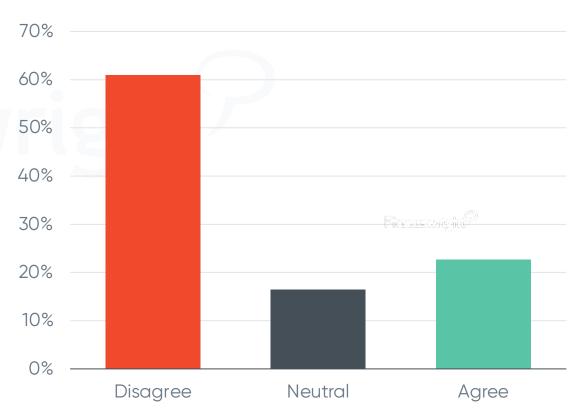
- Researching destination, things to see and do etc builds excitement and anticipation
- The search for hidden gems is addictive
- A successful trip that you planned yourself brings a sense of satisfaction
- Most people want to feel sure that they got the best price(s)

Startups frequently target the top of the "booking funnel" in the Inspiration, Itinerary, Content and Social Networking categories to tackle travel planning frustration.

Yet Phocuswright surveys show that the vast majority of travelers do not think planning travel online is frustrating.



U.S. Traveler Technology Survey Eighth Edition: Is planning travel online frustrating?





The Infamous 2013 Expedia Study

Custom Research: Exploring the Traveler's Path to Purchase

How Destinations Need to Approach Their Marketing Strategy



Target the consumer traveler at the right time

When it comes to leisure travel shopping, consumers spend a significant amount of time online researching options. Up to 45 days leading up to a booking, a consumer will conduct as many as 38 visits to travel sites. Knowing how and when to influence their decision-making process is crucial to generating mindshare and ultimately driving bookings. With this custom research, you will learn what the overall purchase path looks like from initial exploration through the booking stage, and how you can alter your marketing approach to reach consumer travelers at the right time so that you can get the best return on your marketing dollars.

Download the custom research and learn:

- How travel-seeking consumers view content online across multiple types of websites
- . When is the best time to target consumers in the process
- · Why you can't rely on your site alone to generate bookings
- What is the best way to alter your marketing strategy to drive more conversions

Download the Research Now

Get started by filling out the form to the right.





Problem: Most leisure travelers travel infrequently



The average leisure traveler takes a trip or two a year



Have to reach them at the right time



Price-sensitive, not loyal to brands or tools

Problem: Everyone plans differently



Online documents and spreadsheets or calendar



Variety of existing online tools



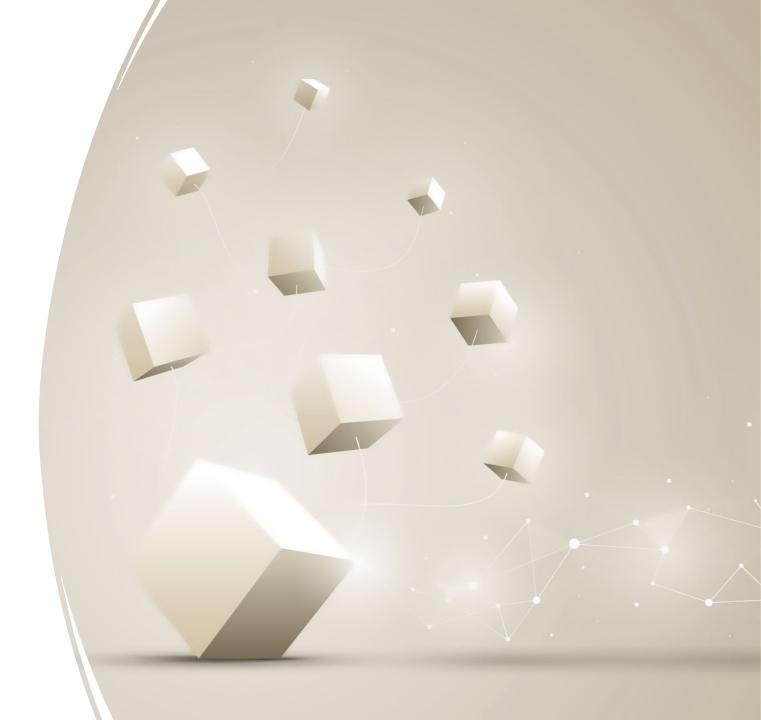
Bookmarks



Pen and paper??

Problem: Travel content is super fragmented

- Everyone and their mother produces static travel content – social posts, photos, videos, blogs, articles, lists, newspapers magazines
- Dynamic travel content is expensive and incredibly difficult to get right



Problem: There are simple trips and complicated trips



A weekend in a major city is very different than a month in Bolivia



Major potential knowledge and information gaps



Most planning tools can only remain highly useful and relevant if specific to their niche

Problem: Travel marketing is expensive



Building any consumer brand is only getting more cost prohibitive



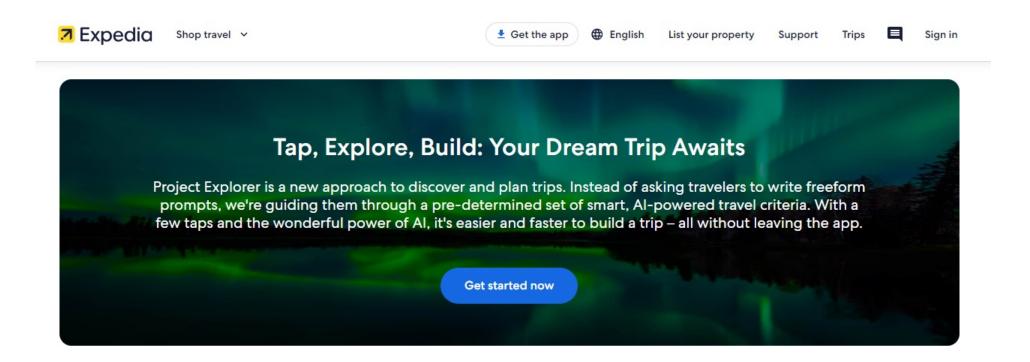
According to research company Statista, in 2023 the top 11 publicly listed online travel players alone spent \$8.4 billion in Google Ads, 19% more than 2022 with a forecasted growth of another +10% in 2024.

Problem: It's hard to monetize

- Top of booking funnel = far from transaction
- Hard to get bookings through affiliate links (not pricecompetitive)
- Hard to build big enough audience to advertise against
- Hard to get people to pay for your tool

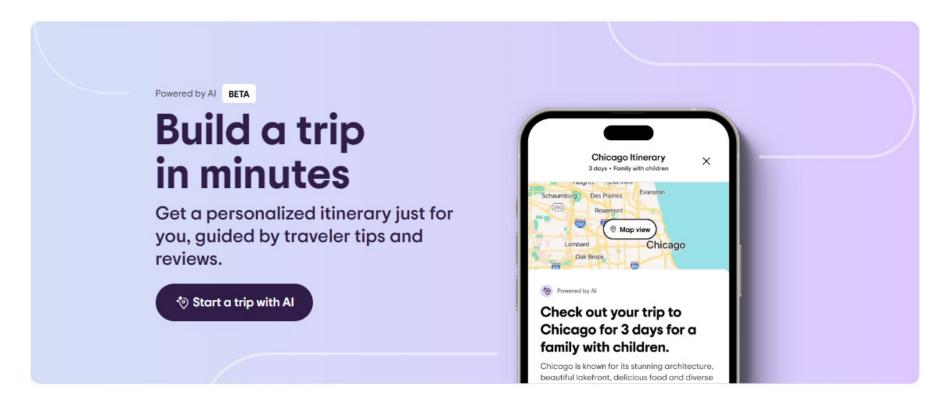


 Expedia (again), Tripadvisor, Microsoft, Google, many others targeting travel planning and booking

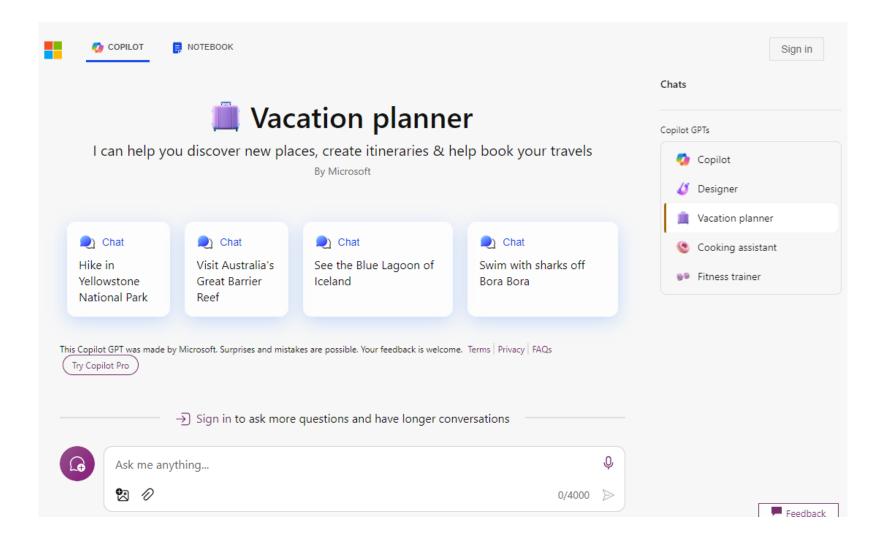












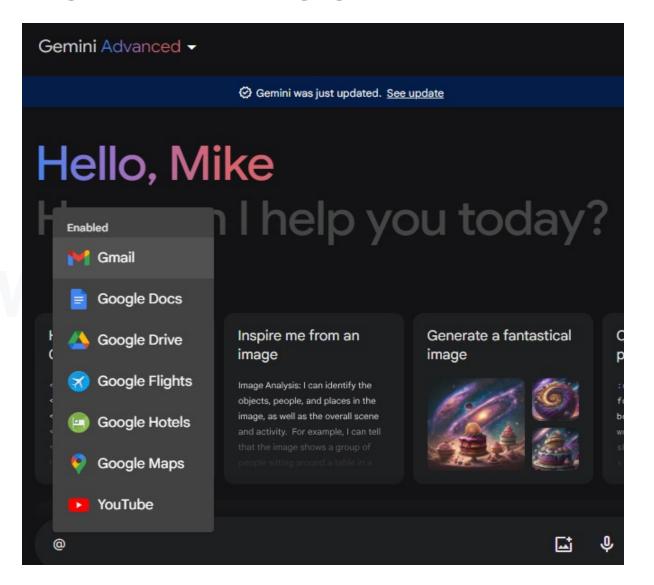




Apps

Google will now let you use Al to build travel itineraries for your vacations

Aisha Malik @aiishamalik1 / 12:00 PM EDT • March 27, 2024

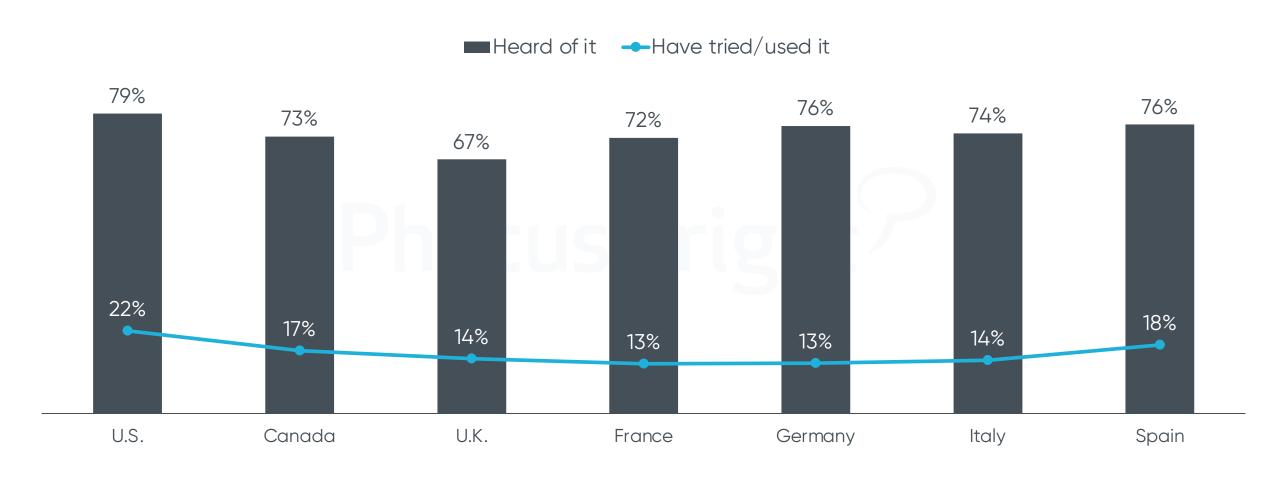






Is AI A Game-Changer?

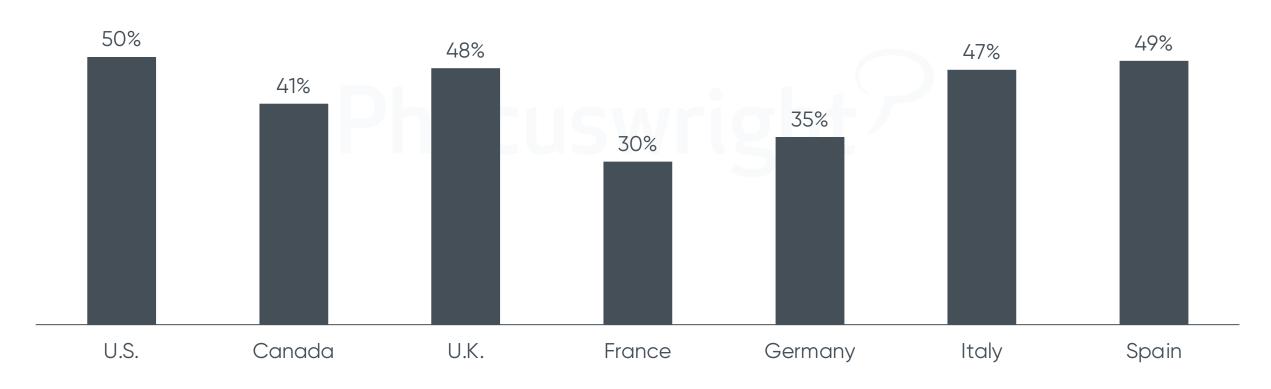
Familiarity/Usage: Generative AI (e.g., ChatGPT or DALL-E)





Comfortable Using a GenAl Platform Such as ChatGPT to Help Plan a Trip

Percent Extremely/Somewhat Comfortable (Among Those Aware)

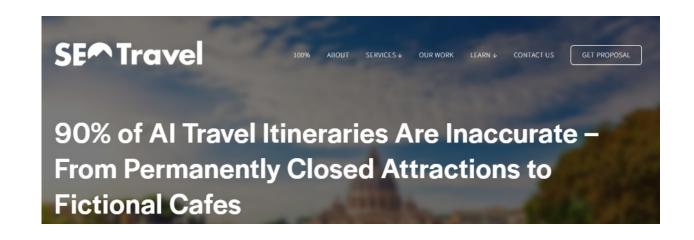


Base: Travelers aware of Generative AI/ChatGPT (U.S. N=891; Canada N=397; U.K. N=311; France N=371; Germany N=379; Italy N=352; Spain N=400)



Weaknesses of Al

- Hallucinations (making up places, transportation options, other important information)
- Poor logic (bad suggestions, route planning/scheduling)
- Limited to available data
- Generality (generic recommendations)



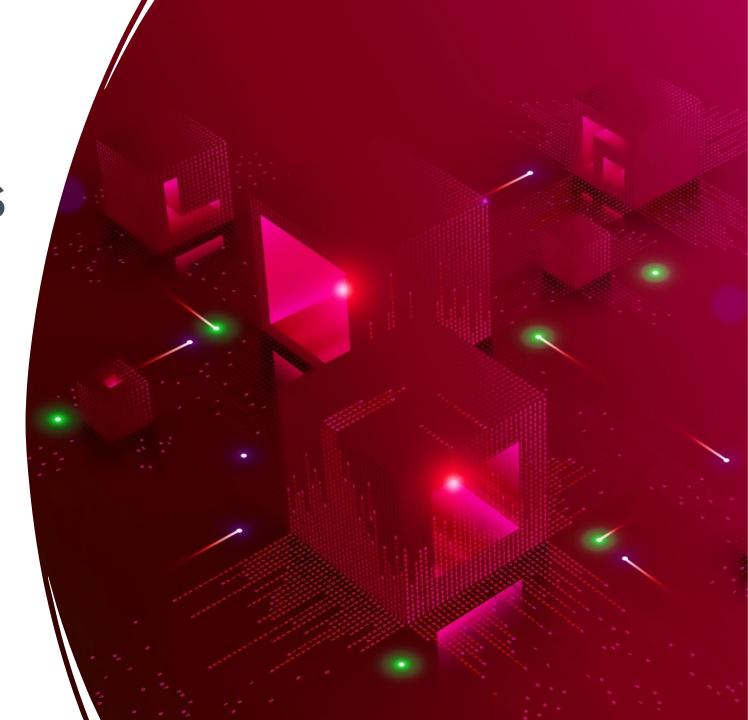


Strengths of Al

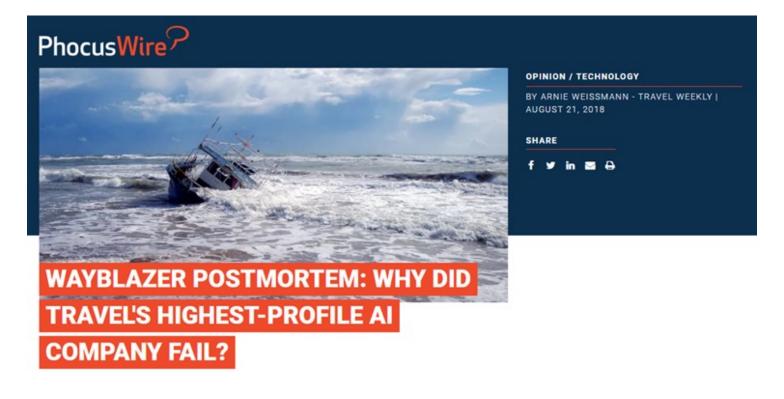
- Travel planning is an unstructured process which is conducive to natural language
- Good summarization/distillation of massive quantities of information
- Al interfaces will continue to improve as multimodal/visual content is integrated
- Potential for personalization, twoway conversation, real-time communication

AI Considerations

- Favors big companies
- Subject to regulation
- Subject to publisher / aggregator dynamic
- Will improve drastically (GPT-5 on horizon)
- Removes tech as competitive moat



Notable Failure



Among the reasons many of us were surprised last month by the **demise of WayBlazer**, travel's highest-profile artificial intelligence initiative, was that we had become habituated to the success of enterprises operated with Terry Jones' oversight.

He had compiled an impressive track record, introducing multiple generations of automated travel booking. As Sabre's chief information officer, he nurtured Eaasy Sabre, a self-booking tool featured through dial-up services in the 1980s.

Still working for Sabre, he headed up Travelocity as its founding CEO. During the period he ran it, Travelocity was king, larger than competitors Priceline and Expedia (the latter would eventually

Read it here.



Autonomous Agents – Lots of Travel Examples

AI®BUSINESS



Deborah Yao February 8, 2024



OpenAI, the maker of ChatGPT, reportedly is working on AI agents that can execute tasks for the user autonomously.

The Information is reporting that one type of agent software OpenAI is developing would effectively take over a user's device to automate complex tasks within an environment such as work. Normally, people will have to move the cursor, click and type to transfer between applications.

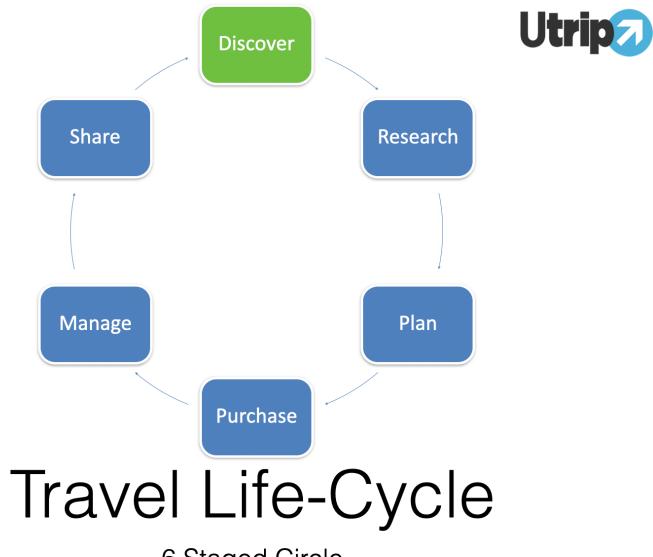
For example, ChatGPT could transfer the information on a document to a spreadsheet for analysis.

Another type of AI agent OpenAI is developing handles web-based tasks such as booking airfares or creating travel itineraries without access to APIs. ChatGPT currently can do agent-like tasks but it has to use the relevant third-party's APIs.





Case Study: Utrip



6 Staged Circle





Market Research



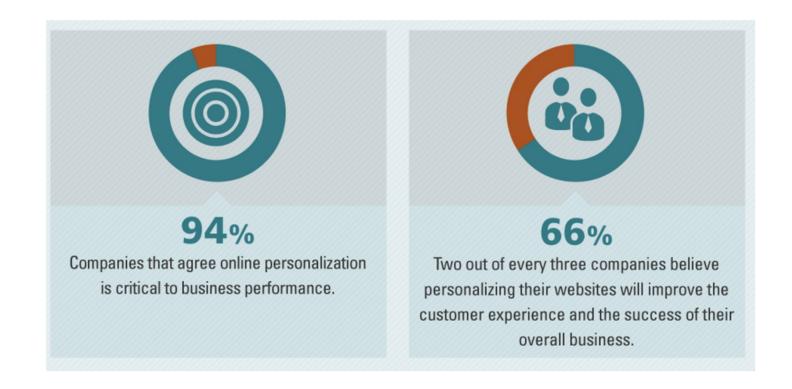


^{*}Based on independent study of leisure travelers in 2011

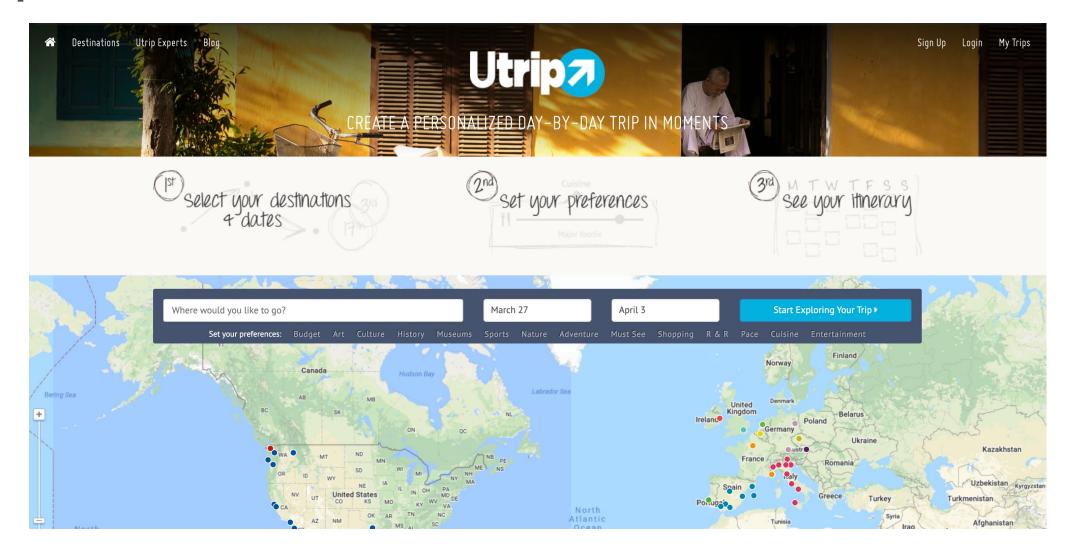




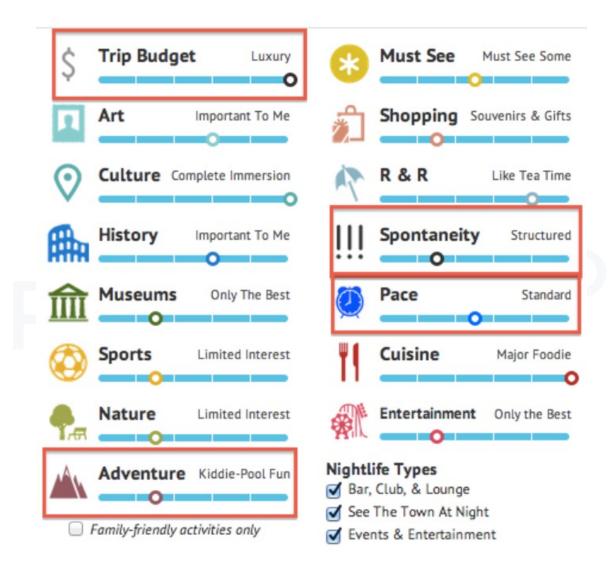
Personalization Matters













43

Looking for Inspiration?

Local Experts in art, cuisine, history, and more created itineraries featuring their favorite spots. Begin exploring the world with their suggestions.



Barcelona Architecture & Design

On the Barcelona Architecture & Design travel plan let our expert Jordan take you through the...

by Brianna Baldwin



First Timer in Concord

Experience the sights, sounds, and tastes of Concord and Diablo Valley!

by Dan Adika



A Brief History Of Berlin

Ever since the return of the capital to Berlin, nothing has been the same. What has resulted is the...

by Jennifer Korten



Underground Paris

If you've already seen the Eiffel Tower and the hyper-trendy Le Marais district, then it is time to...

by Julia Tio

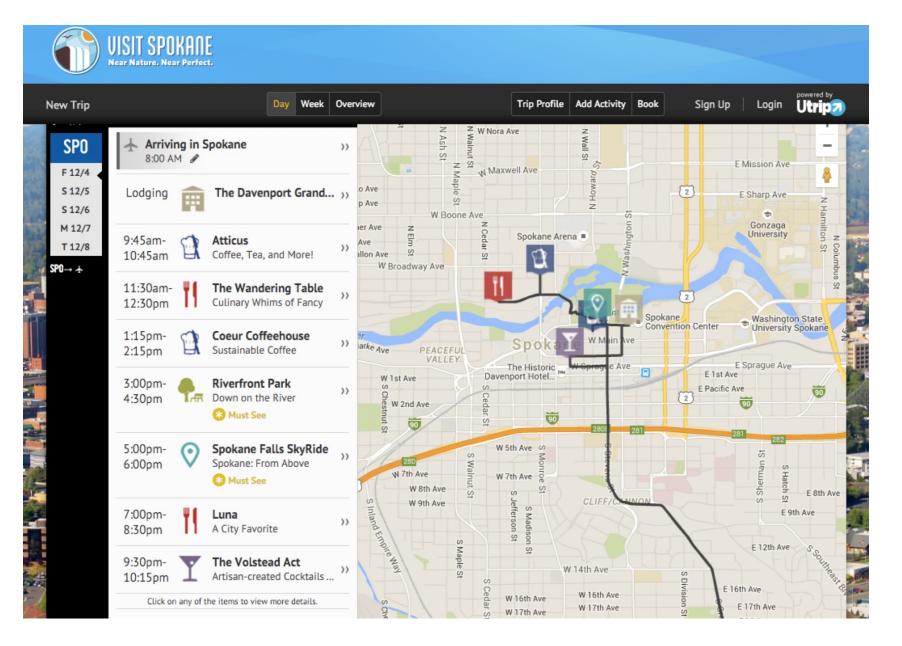






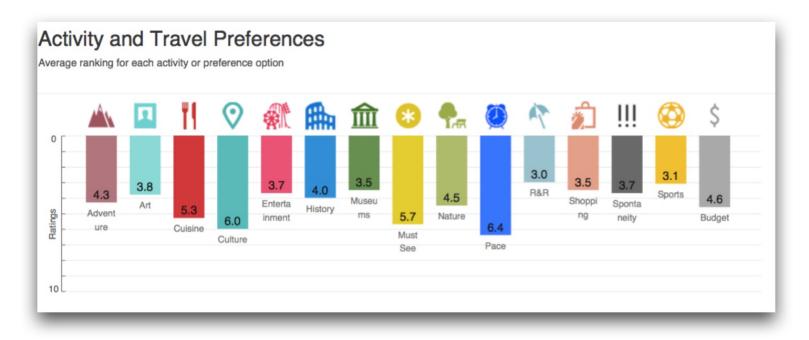








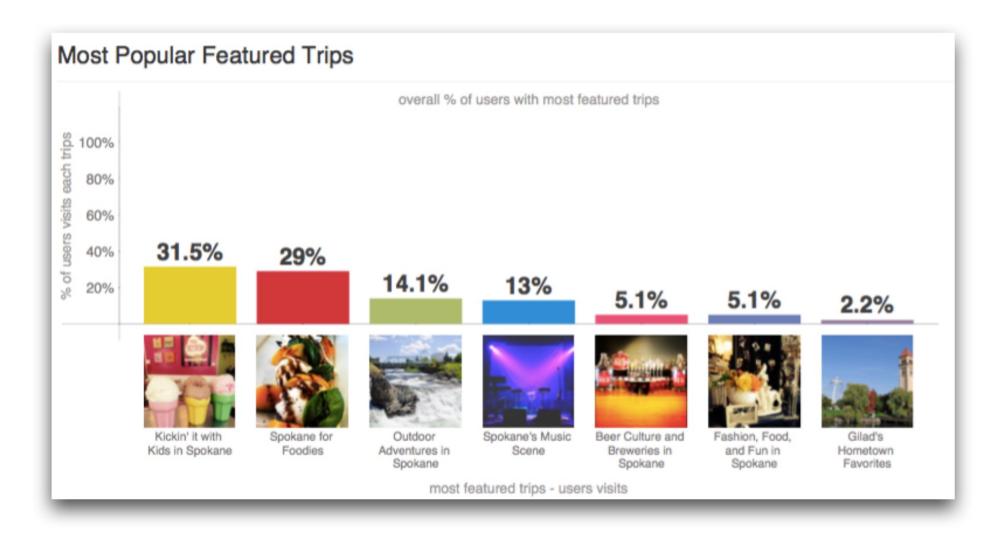
Data Makes You Better Marketers







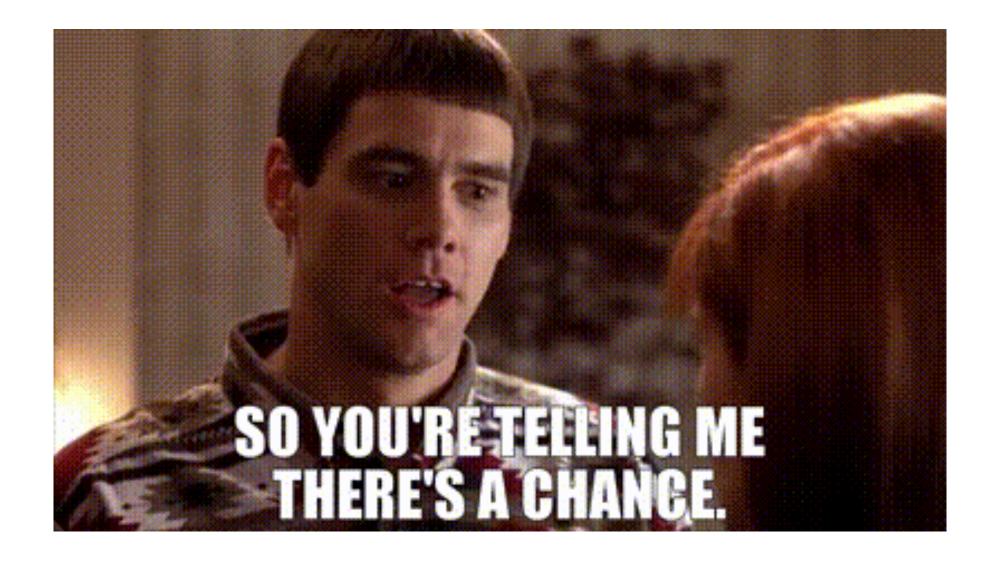
Data Makes You Better Marketers





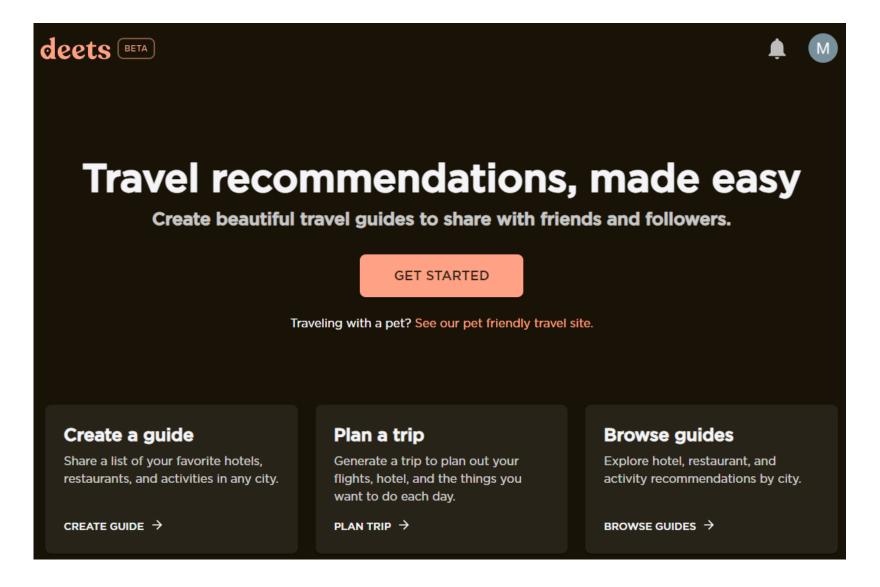


So... Should I Do It?





Interesting Example!





The Future Is Being Written Now

Someone could prove any of this wrong.

Just please go into it:

- With eyes wide open
- Understanding all the challenges
- Having learned from past mistakes

Being aware of where things are going.

- Tech giants remain formidable
- Interactive planning using Apple Vision Pro?
- Discussion with virtual AI travel agent avatar?



Recommended Reading



Read it here.

This article was originally published on thooz

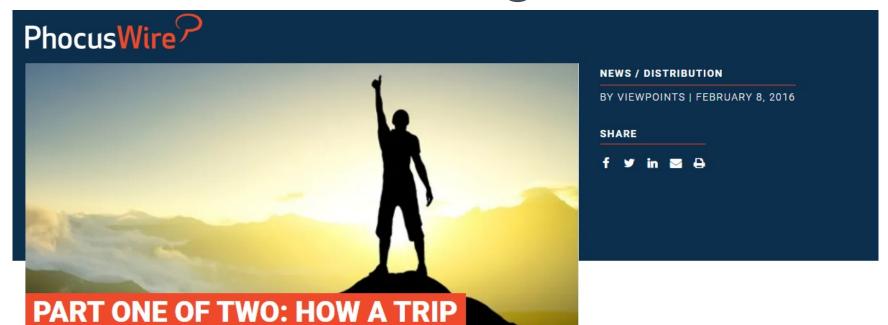
Having founded WorldMate and Desti (which also swallowed Plnnr), not a week goes by without me being approached by an entrepreneur who has started/is starting/is contemplating a travel startup.

NB: This is an analysis by Nadav Gur, principal at NG Vanguard Enterprises in the US.

TRAVEL PLANNING STARTUP



Recommended Reading



Read it here.

This article was originally published on thooz

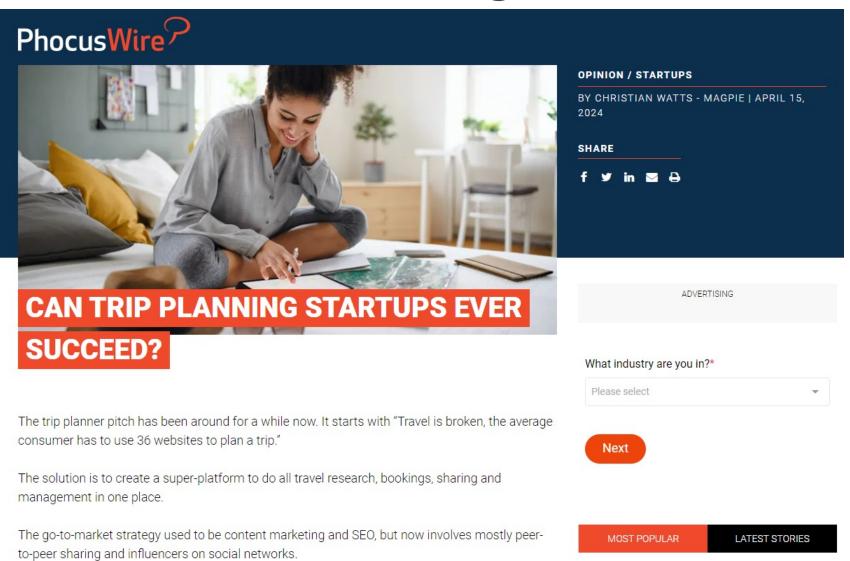
A lot has been said and written in the past few weeks about "trip (or travel) planning" as a startup idea, mostly negative. I am writing this piece to offer a different take.

NB: This is the first part of a two-part viewpoint by Saket Newaskar, co-founder and chief technology officer at **Triphobo.com**.

PLANNING STARTUP CAN SUCCEED



Recommended Reading



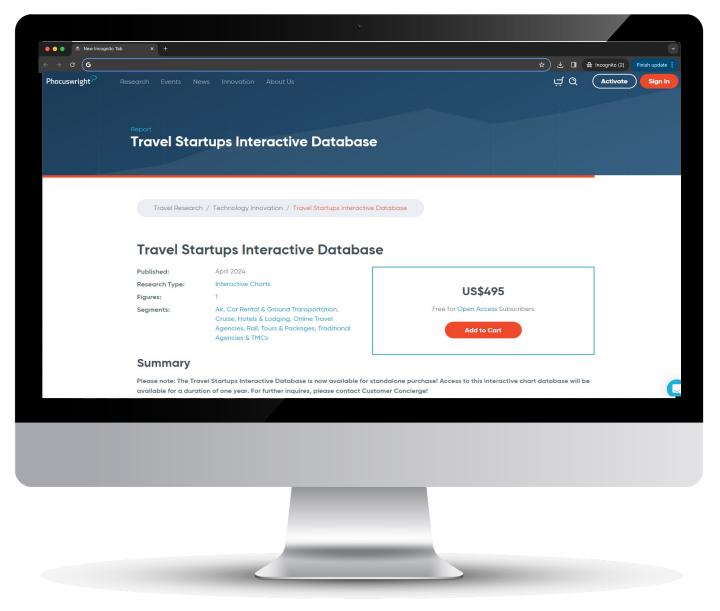
Read it here.



Travel Startups Interactive Database

Available now on phocuswright.com

Access the database here.

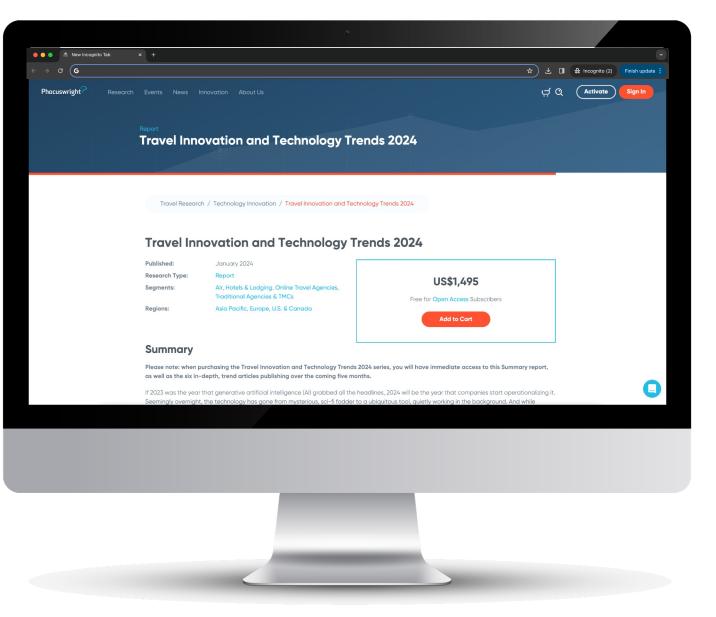




Travel Innovation and Technology Trends 2024

Available now on phocuswright.com

Access the report here.







Every report, chart and data set.

One subscription unlocks access for your entire company.

Phocuswright Open Access

Phocuswright.com/OpenAccess

Phocuswright Europe P

10-12 JUNE 2024, BARCELONA, SPAIN

YOU, ME & THE MACHINE



SPEAKING ON CENTER STAGE

10-12 JUNE 2024, BARCELONA, SPAIN

Phocuswright Research: Startup Funding

Executive Panel: The Investor View

Executive Panel: The Great GenAl Debate



MIKE COLETTA

Manager, Research and Innovation Phocuswright



Phocuswright Conference



November 19-21, 2024 Phoenix, AZ, USA

www.phocuswrightconference.com

REGISTER NOW



Technology and distribution form the backbone of travel and digital.

We've got it covered ... every day.

#PhocusWire www.PhocusWire.com





Thank You and Good Luck!