

HOSPITALITYDESIGN

Internet Usage Study Results

Presented at:

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Leadership Summit
Vail, Colorado**

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The Qume Group, Ltd.**

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Methodology

Telephone interviews were conducted with:

- 159 Design/Architecture Firms (D/A Firms)
- 164 Hotel/Restaurant Companies (H/R Companies)

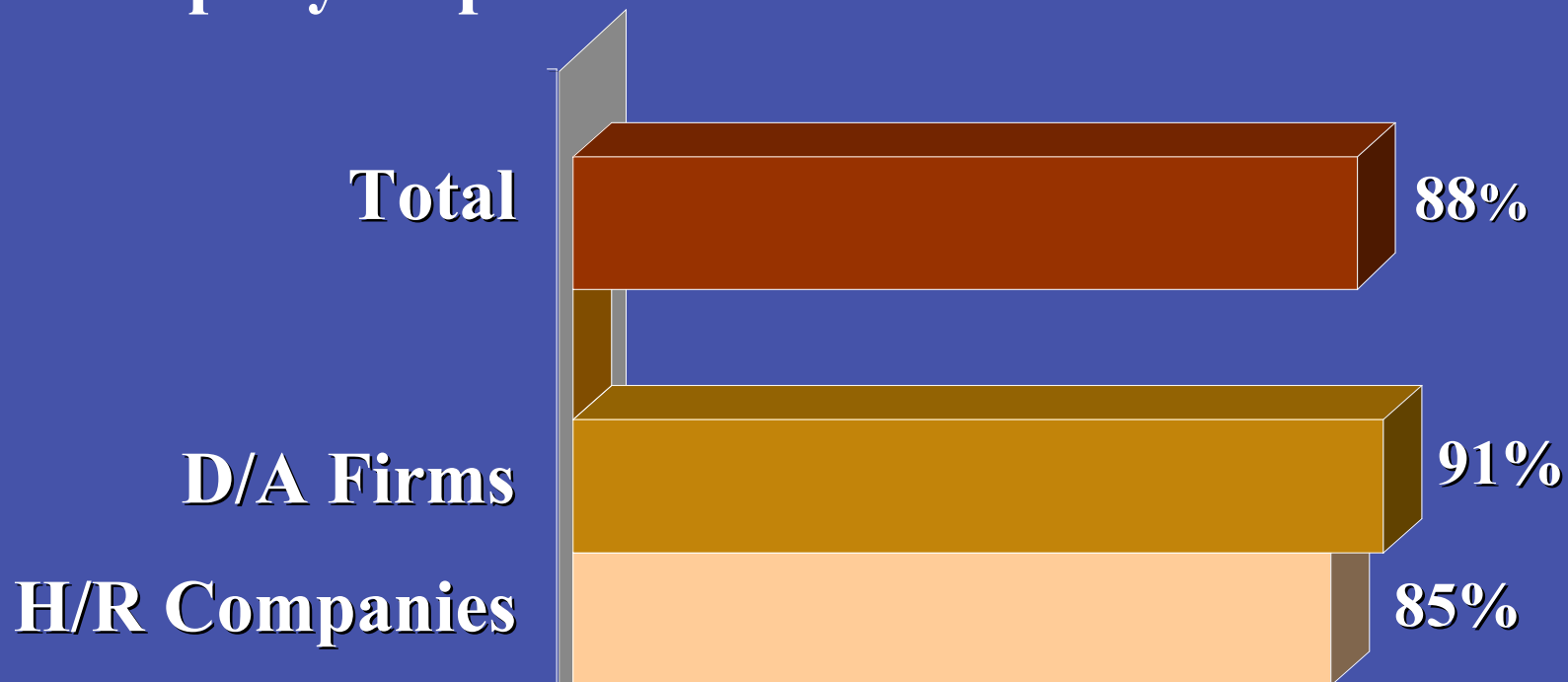
Sample was drawn from the circulation of Hospitality Design.

Interviews were conducted in November 2000.

Overall Internet Use

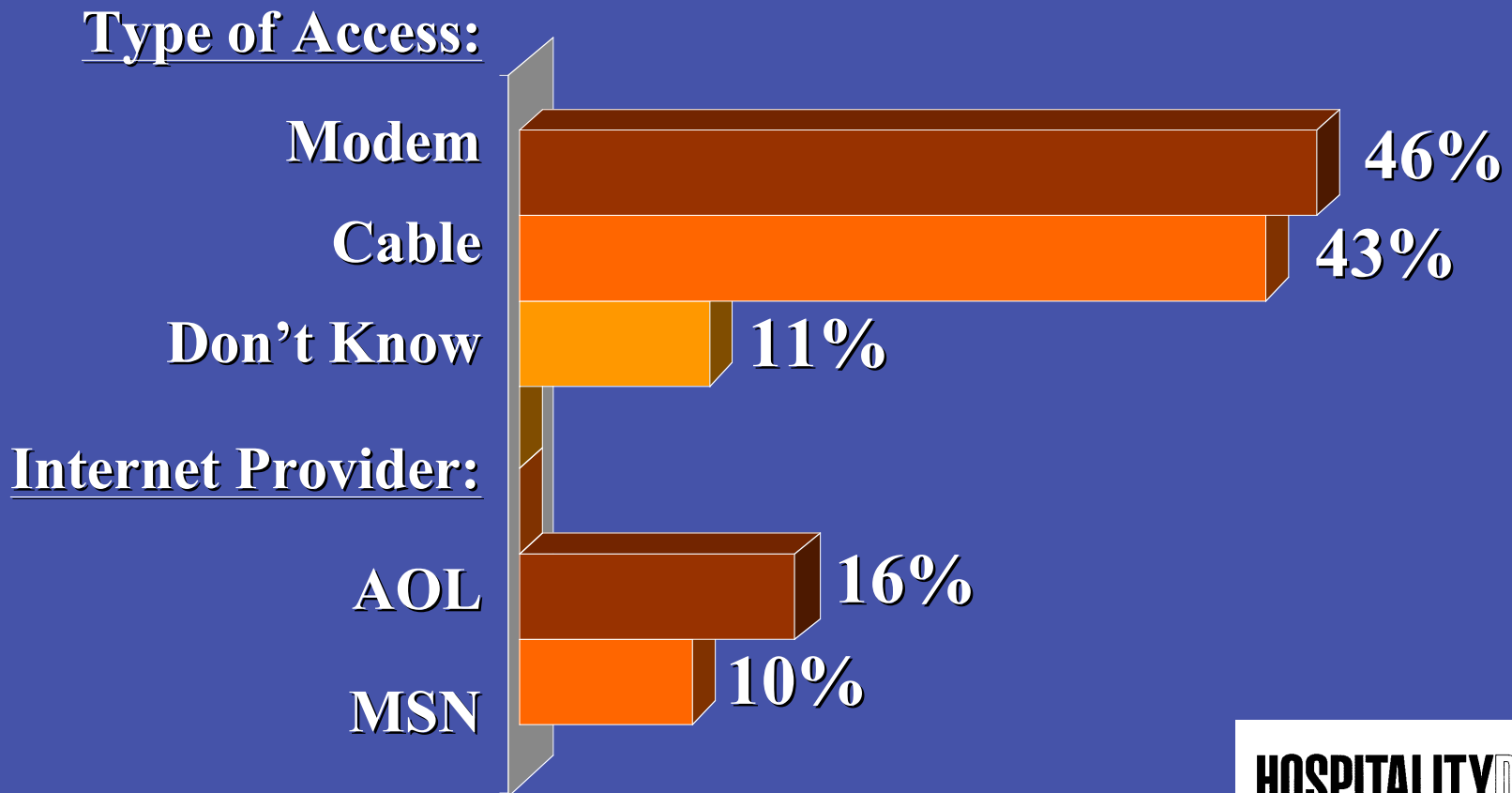
Overall Internet Use

- Nine out of 10 respondents reported having access to the internet.
- Design/architecture firm respondents were more likely to have access than were hotel/restaurant company respondents.



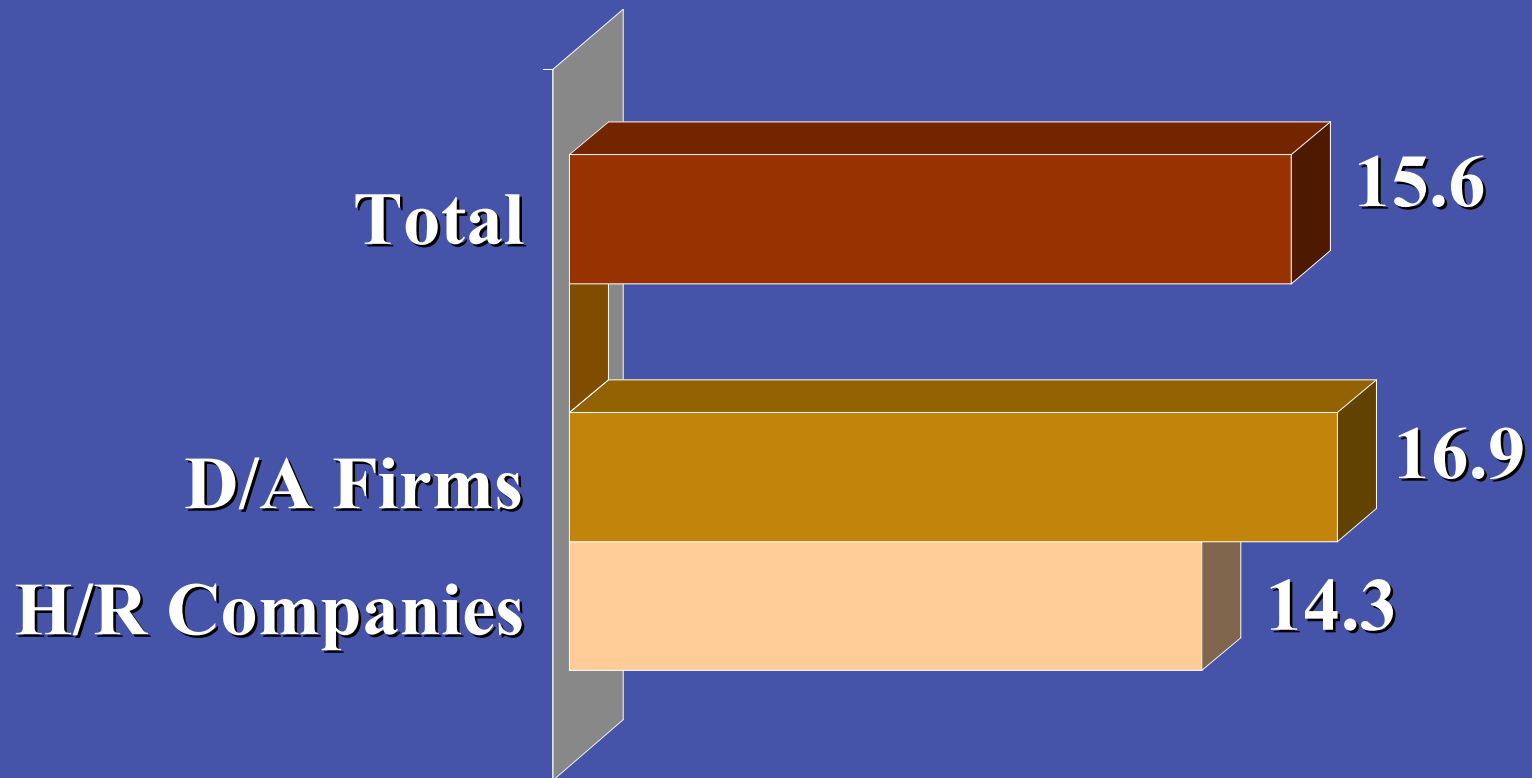
Overall Internet Use

- About an equal number of respondents reported having cable or a modem to access the internet.
- AOL and MSN were the leading internet providers.



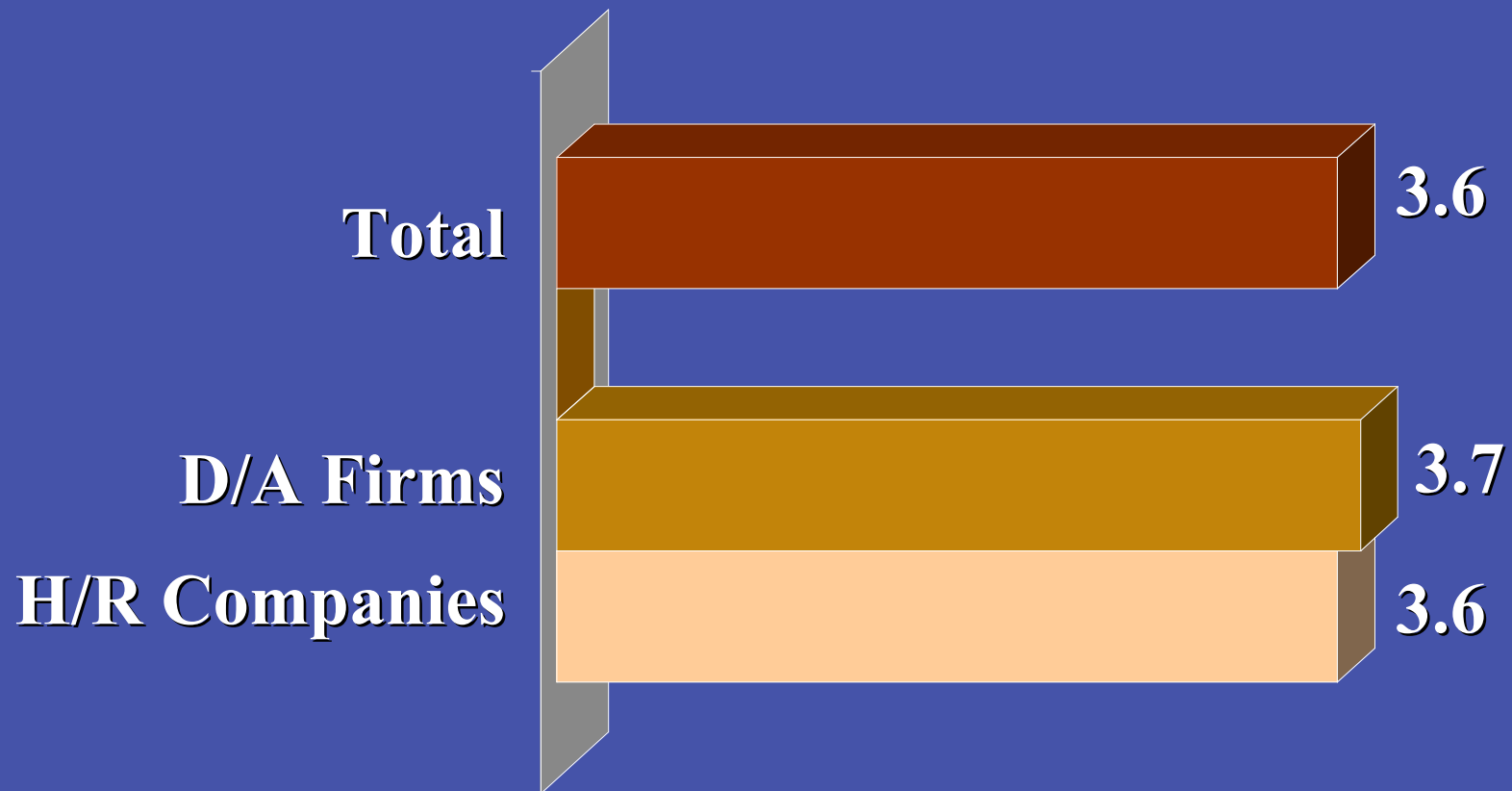
Overall Internet Use

- On average, respondents with internet access reported accessing the internet 15.6 times per week for work functions.



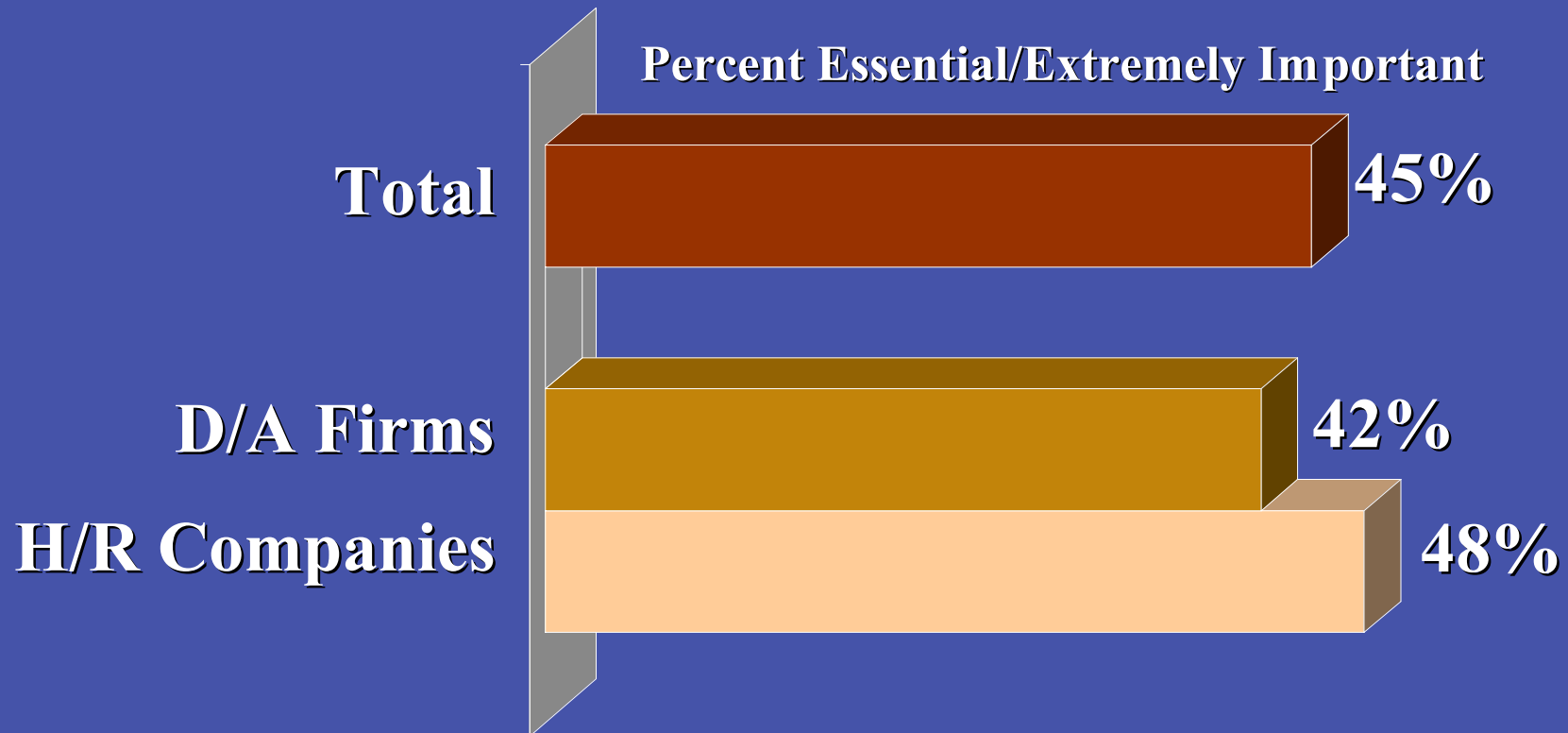
Overall Internet Use

- On average, respondents reported accessing the internet for 3.6 hours per week for work functions.



Overall Internet Use

- On average, 45% of respondents reported that having internet access to web sites was essential or extremely important for their work.



Overall Internet Use

- While those 40 and over access the internet more frequently per week than do younger respondents, the number of hours spent on the net is about equal in the two groups.

Weekly Internet Access

	<u>Times</u>	<u>Hours</u>
<u>Total</u>	15.6	3.6
<u>Age:</u>		
39 & Under	12.3	3.6
40 & Over	17.8	3.7

Overall Internet Use

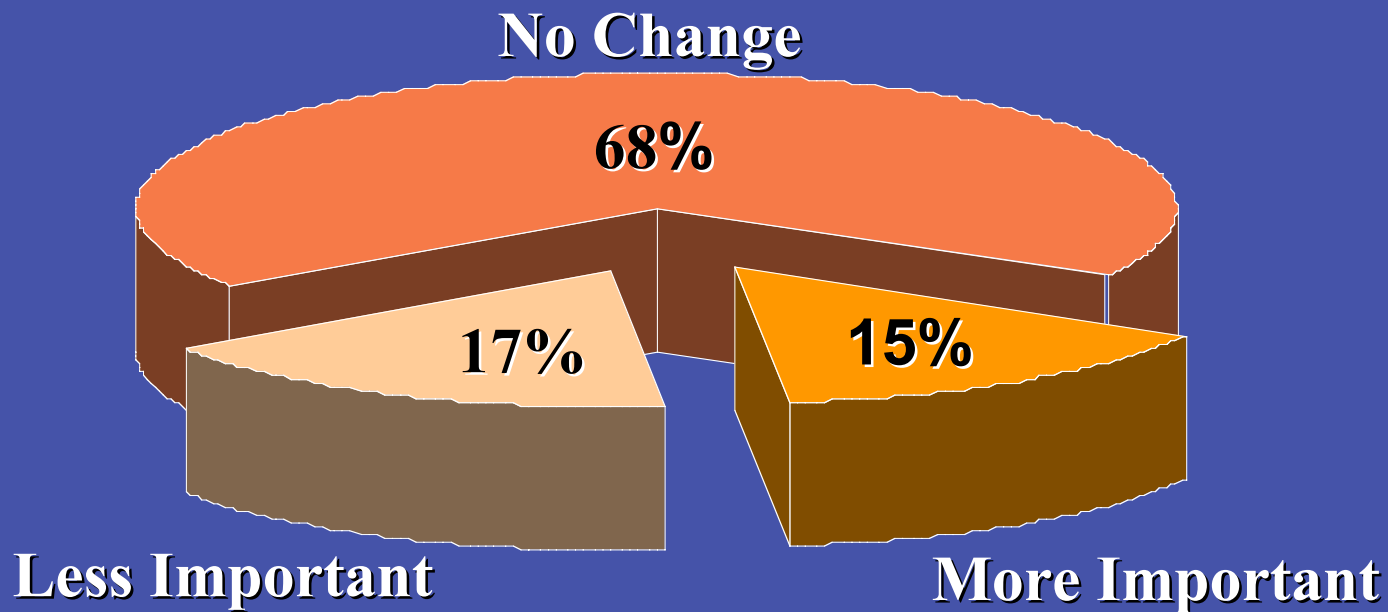
- Those who consider internet access essential or extremely important to their work, access the net more frequently than those who do not feel the internet is as important.

Weekly Internet Access

	<u>Times</u>	<u>Hours</u>
<u>Total</u>	15.6	3.6
<u>Access Importance:</u>		
Essential/Extremely	19.6	4.7
Very/Somewhat/Not Too	12.4	2.8

Overall Internet Use

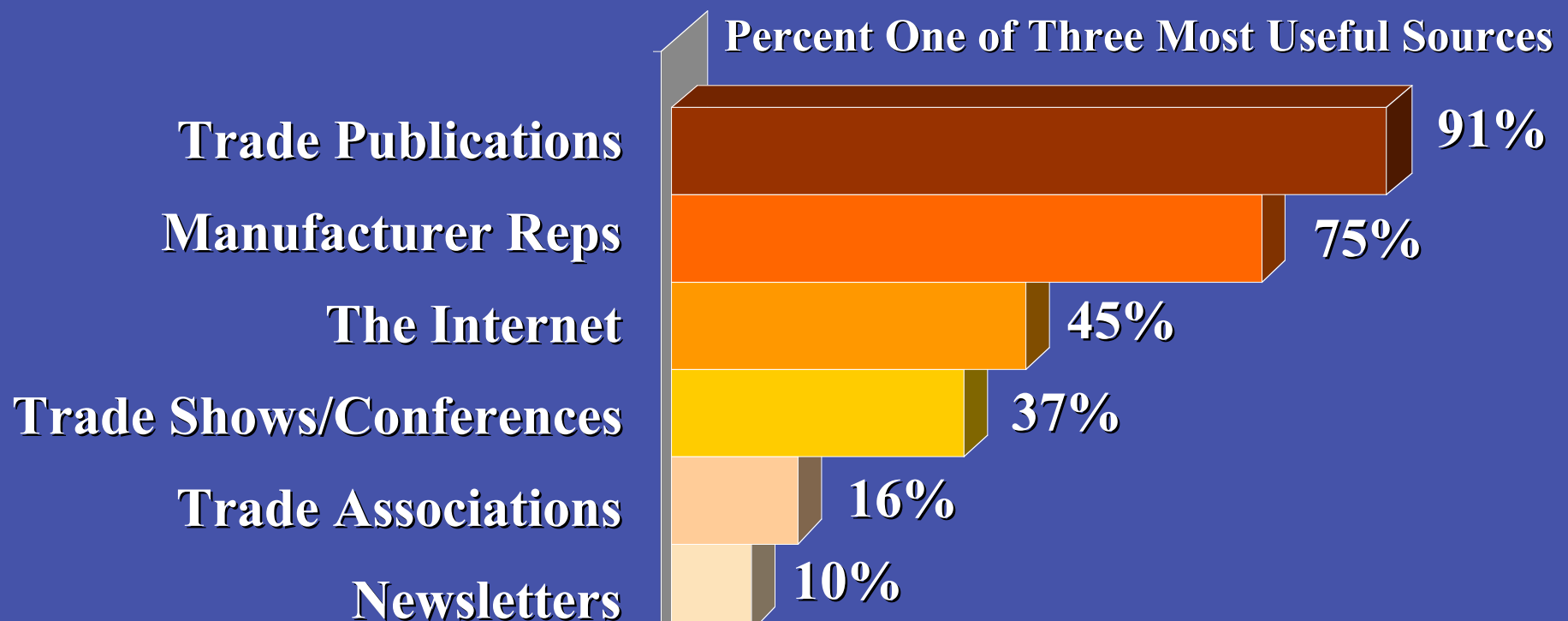
- With the emergence of the internet, respondents reported there has been no change in the importance of manufacturers' sales reps or showrooms.



Useful Sources of Hospitality Related Information

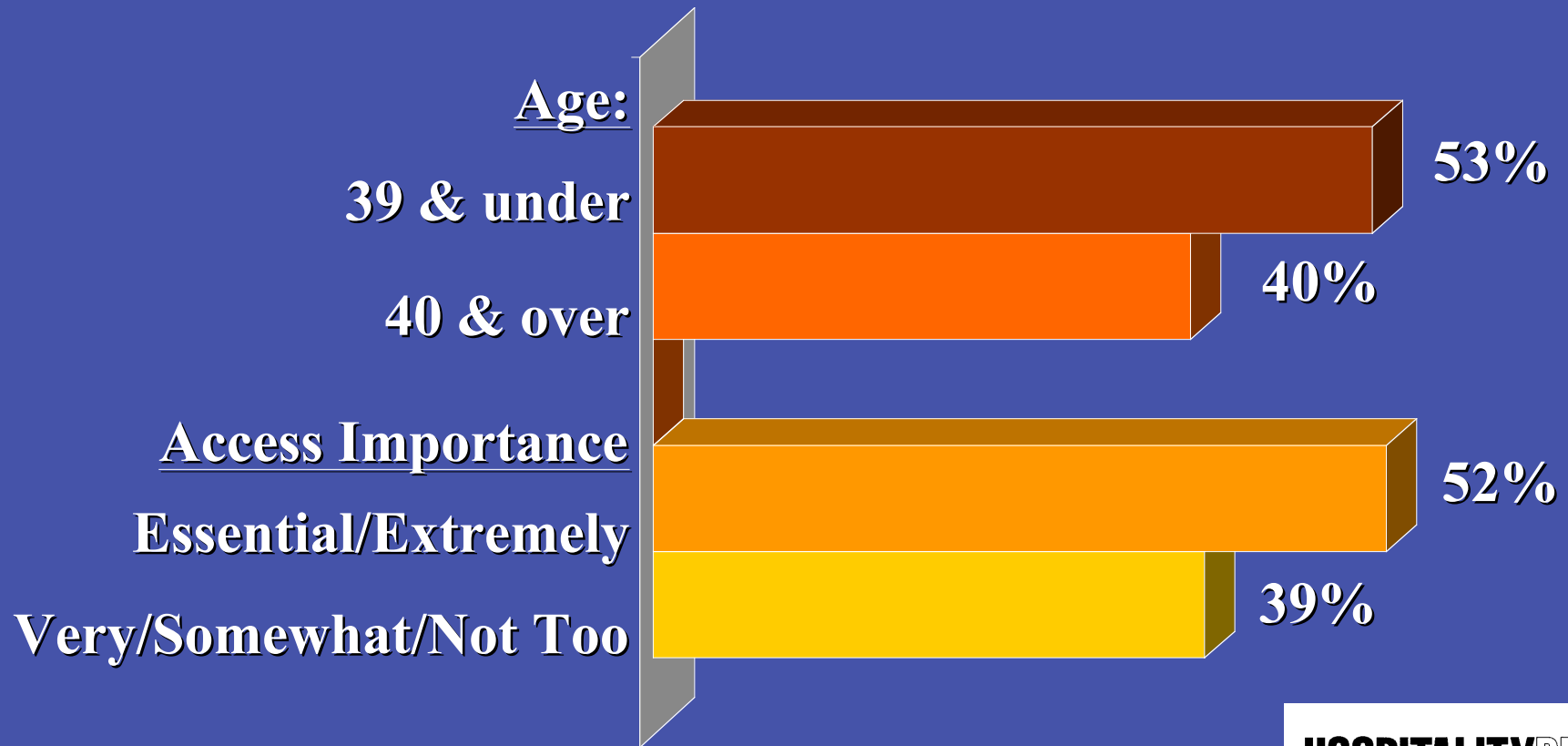
Useful Sources of Hospitality Related Information

- Respondents judged the internet as the third most useful source of hospitality related information after trade publications and manufacturers' reps.



Useful Sources of Hospitality Related Information

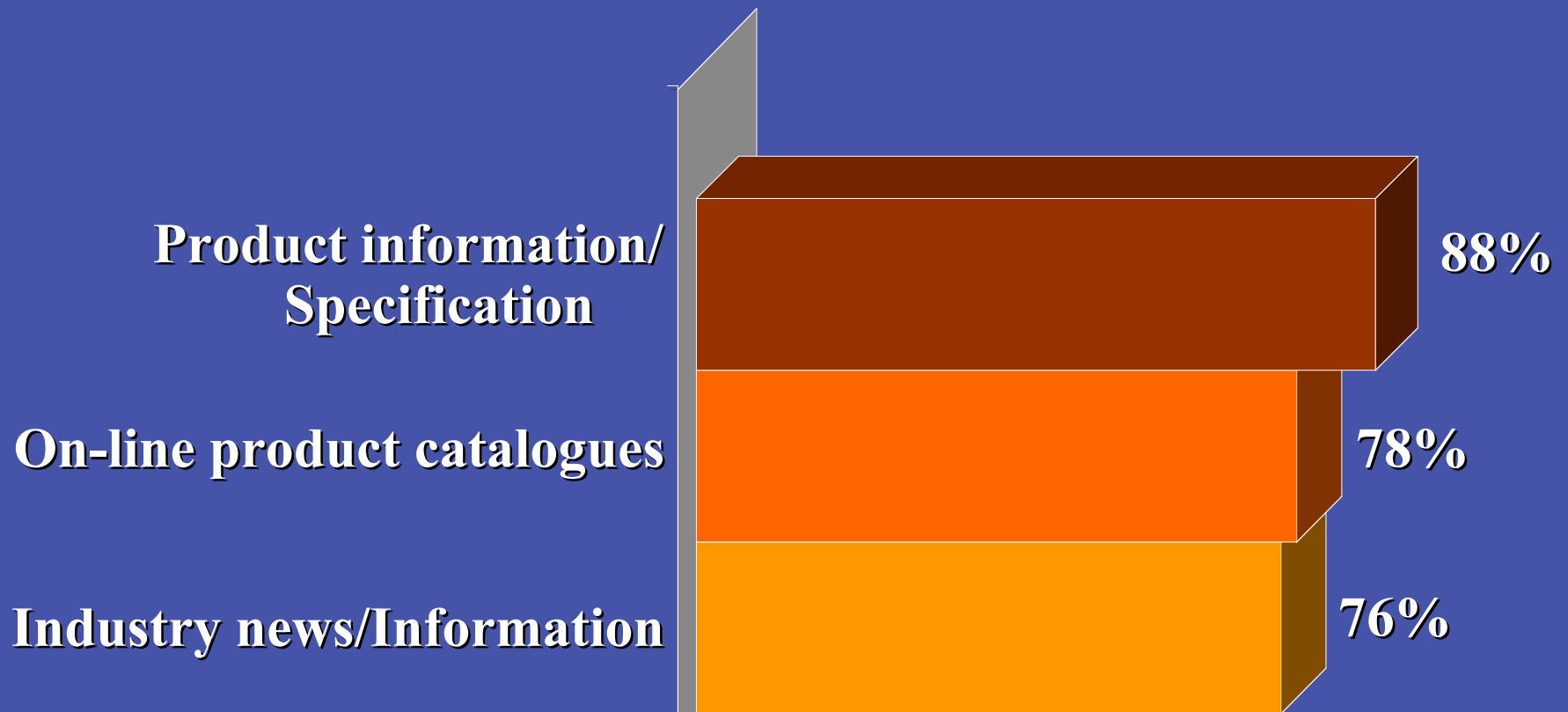
- Younger respondents and those who find web access to be essential/extremely important to their work were more likely than others to rate the internet as one of their three most useful sources of hospitality related information.



Reasons for Internet Use

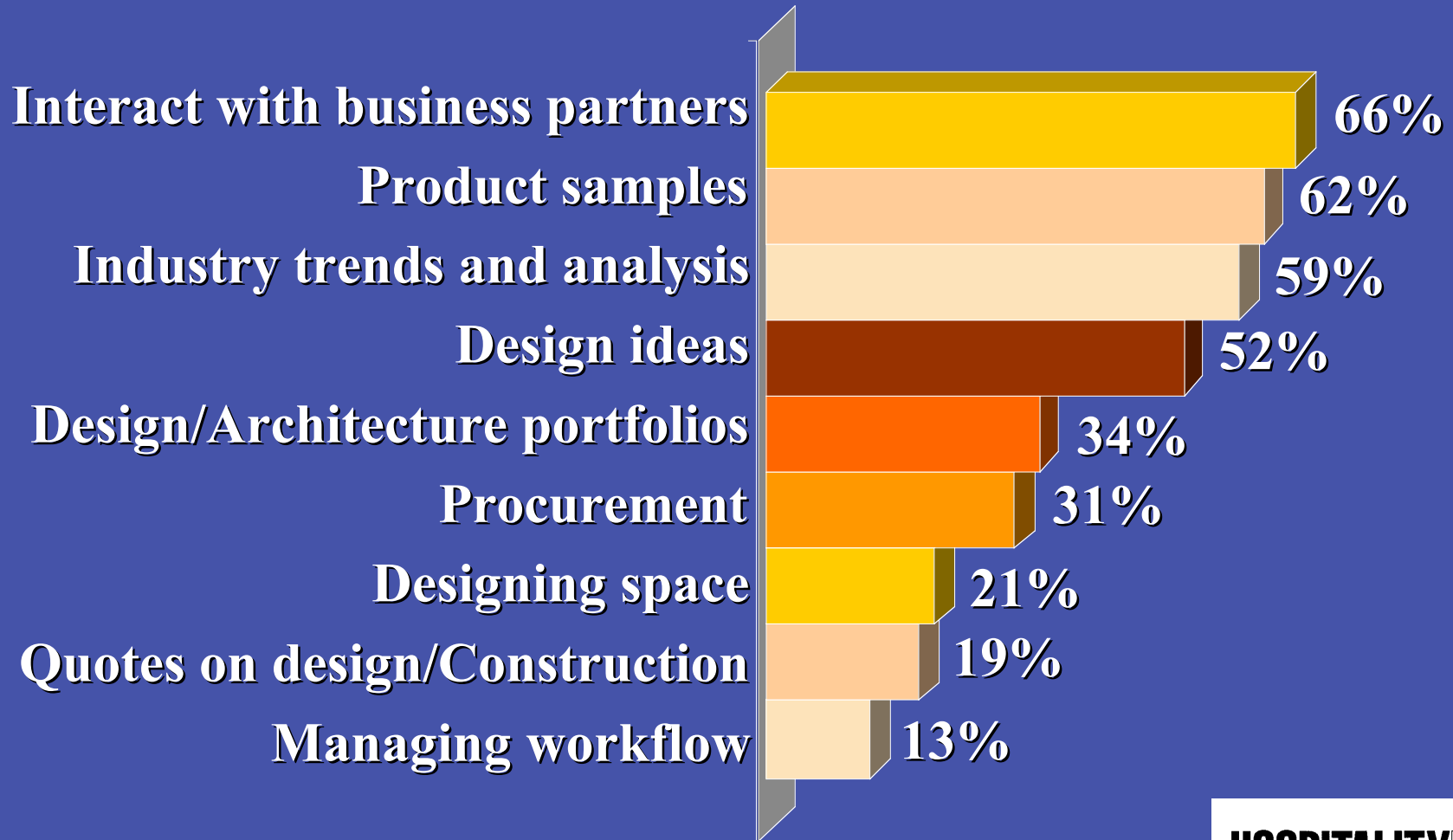
Reasons for Internet Use

- The three most frequently mentioned reasons for using the internet were:



Reasons for Internet Use

- Other reasons mentioned for accessing the internet were:



Reasons for Internet Use

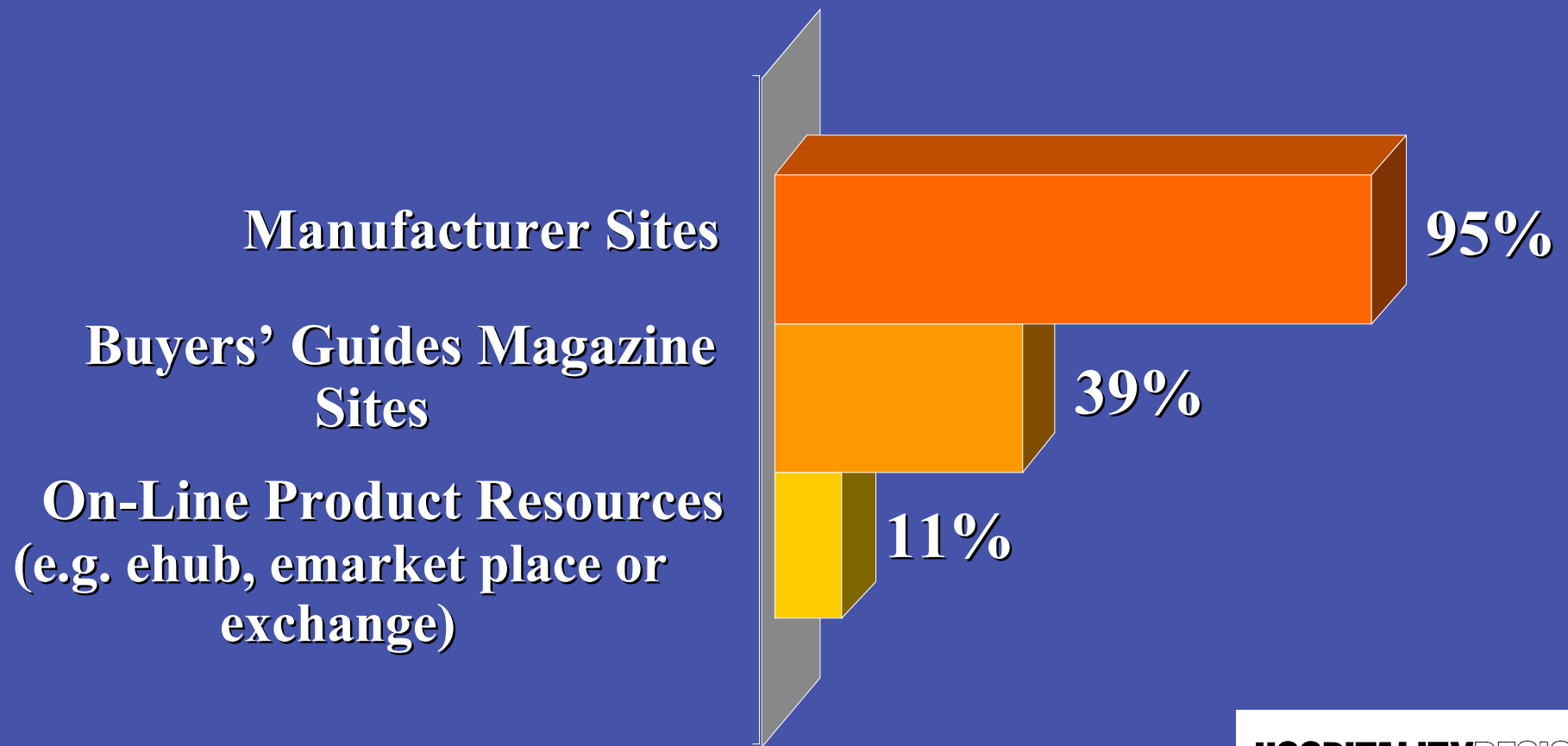
- Design/architecture firm and hotel/restaurant company respondents have somewhat different reasons for accessing the internet.

	<u>D/A</u> <u>Firms</u>	<u>H/R</u> <u>Companies</u>
Product information/specification	95%	80%
On-line product catalogues	90%	65%
Product samples	68%	55%
Designing space	27%	15%
Interact with business partners	59%	74%
Industry trends and analysis	52%	65%
Procurement	24%	39%

Internet Use for Product Information

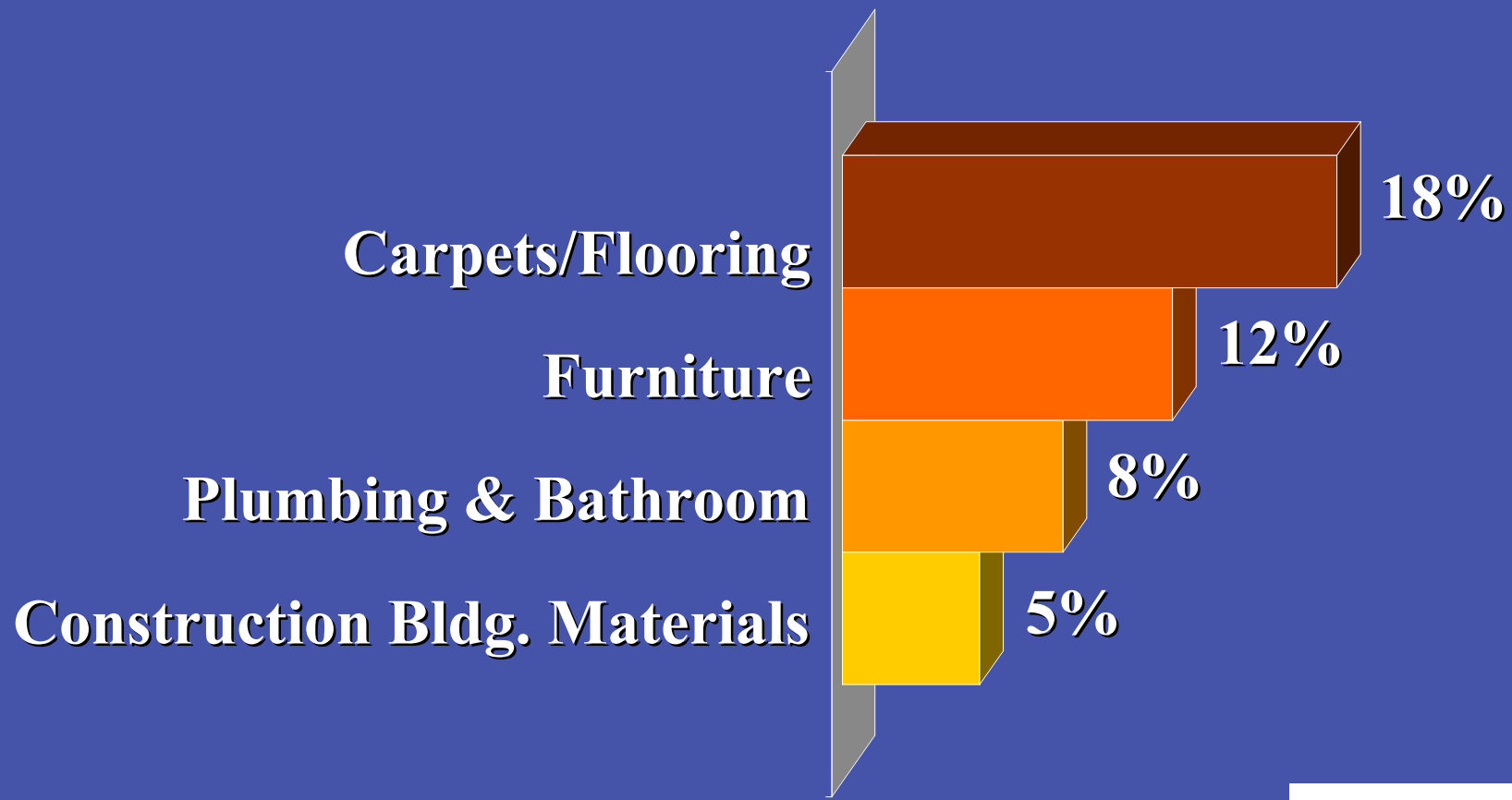
Internet Use for Product Information

- **Manufacturer web sites are the dominant source for product information, followed by magazine/buying guide sites, and on-line product resources.**



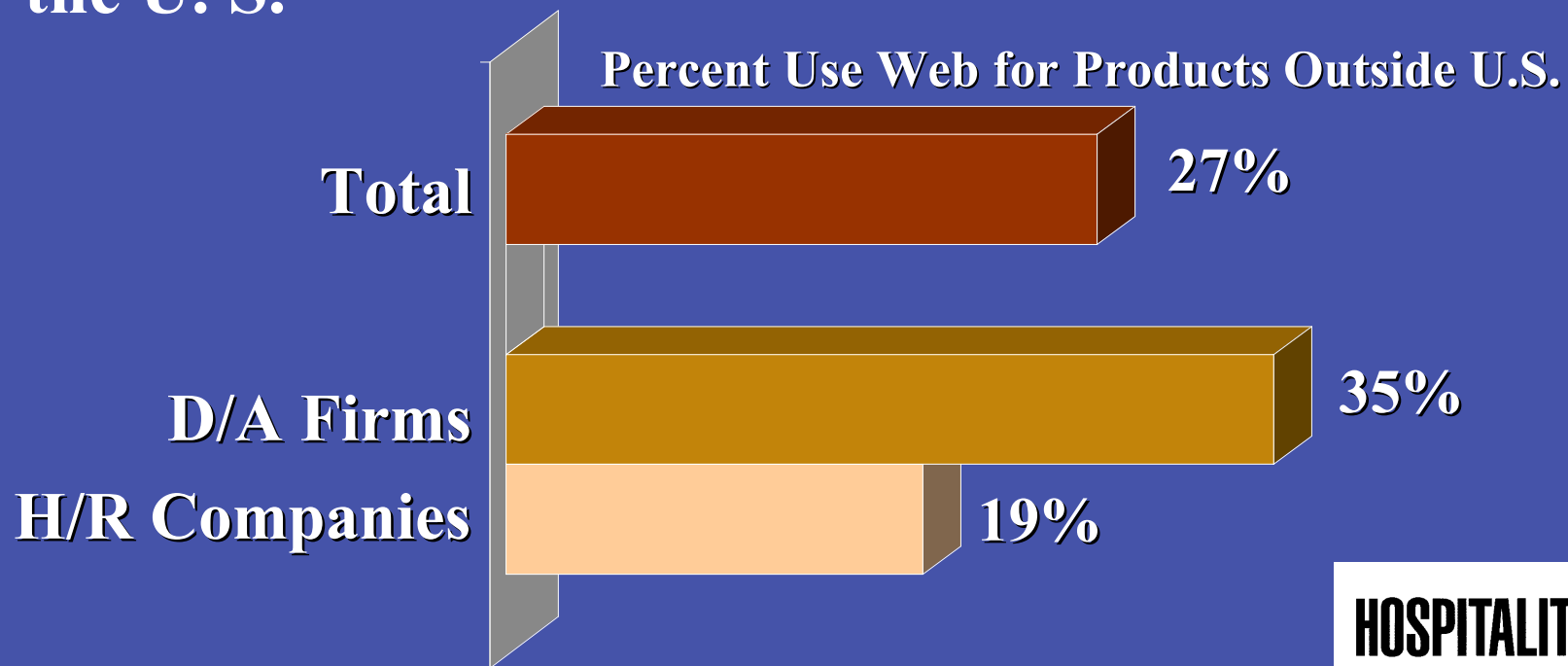
Internet Use for Product Information

- The two most frequently mentioned manufacturer type sites judged most useful were carpets/flooring and furniture.



Internet Use for Product Information

- On average, 27% of respondents reported that they have used internet web sites for finding products outside the U. S.
- Design/Architecture firm respondents are more likely than hotel/restaurant company respondents to have used internet web sites for finding products outside the U. S.

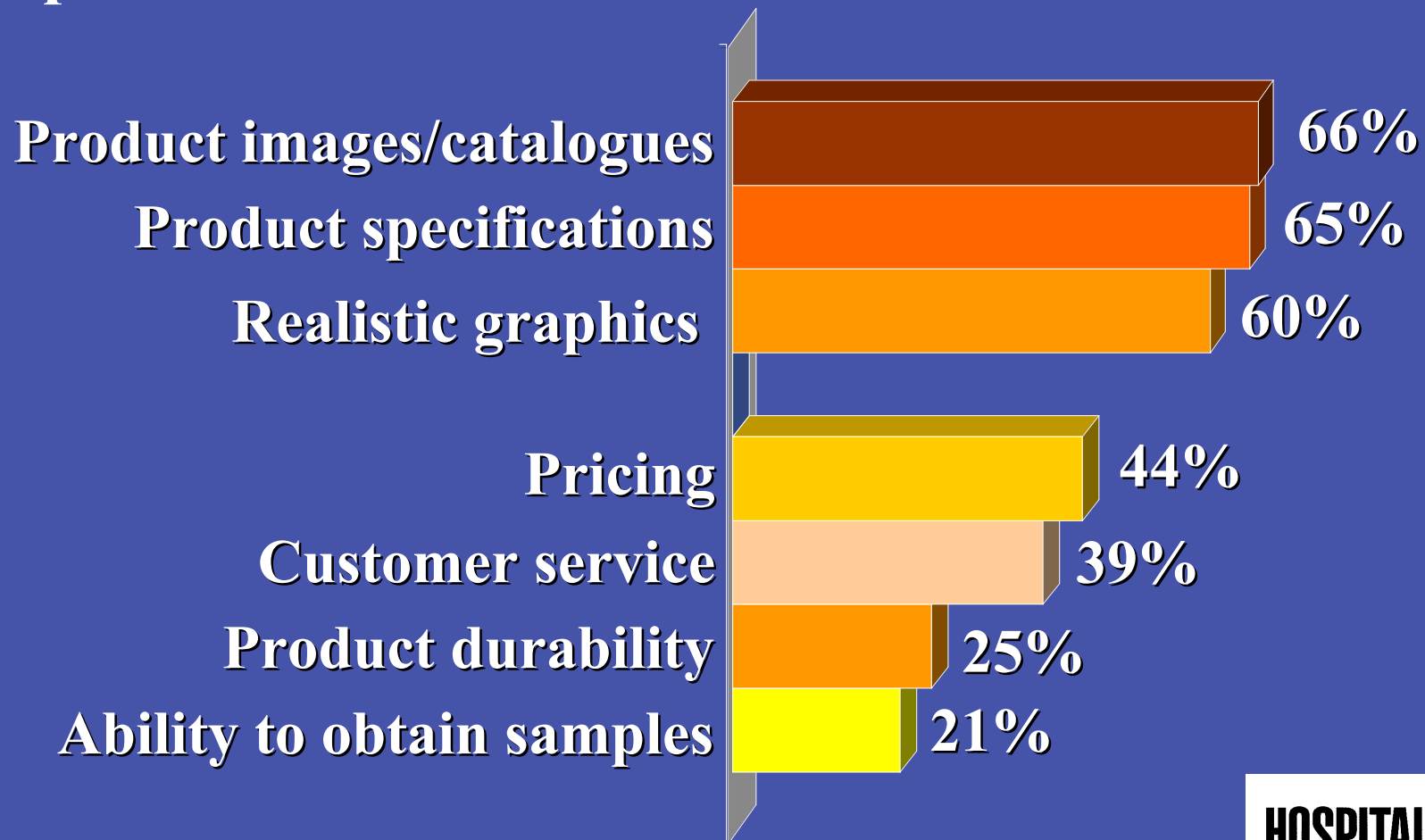


Internet Use for Product Information

- **Forty percent of respondents mentioned search engines such as Yahoo, as the dominant sites for finding products outside the U. S.**

Internet Use for Product Information

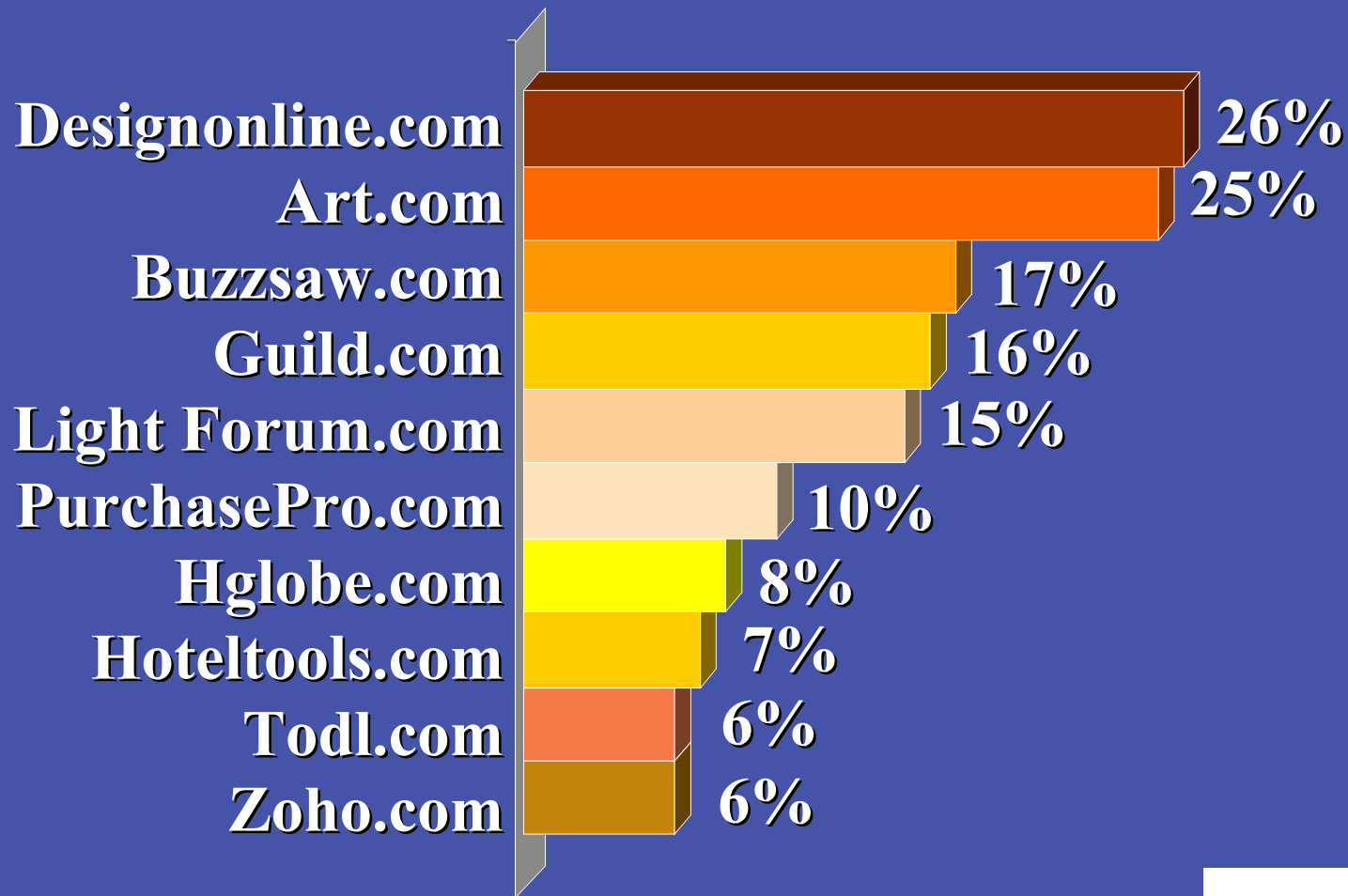
- Product images, specifications, and realistic graphics are the most essential elements in web sites visited for product information.



Hospitality Internet Sites Visited

Hospitality Internet Sites Visited

- On an aided basis, the most frequently visited web sites were:



Hospitality Internet Sites Visited

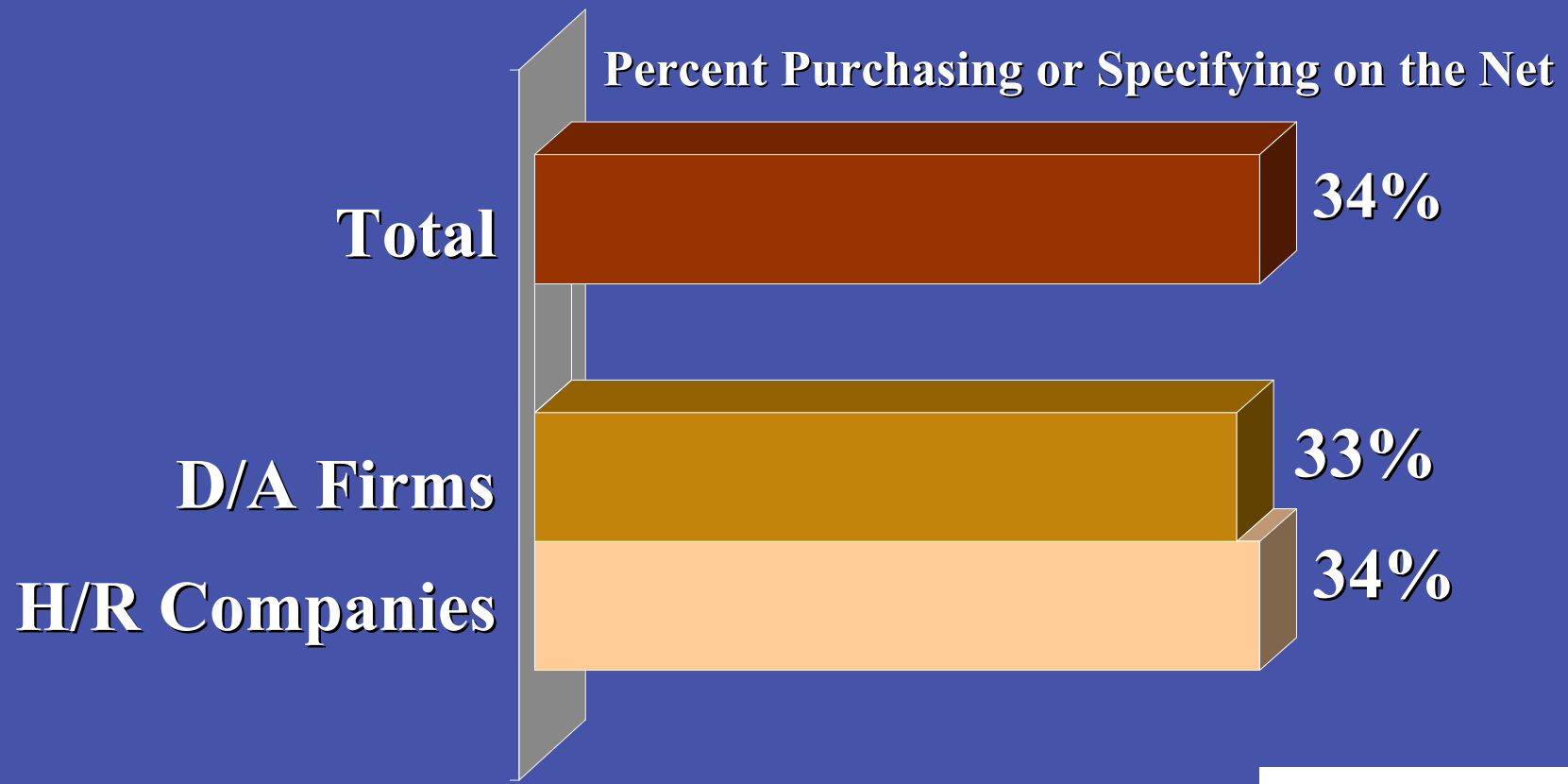
- There were differences in the the most popular web sites visited between design/architecture firm respondents and operator respondents.

	<u>D/A Firms</u>	<u>H/R Companies</u>
Designonline.com	33%	18%
Guild.com	22%	9%
Art.com	31%	19%
Buzzsaw.com	22%	11%
PurchasePro.com	5%	15%

Past Year Internet Purchasing/Specifying

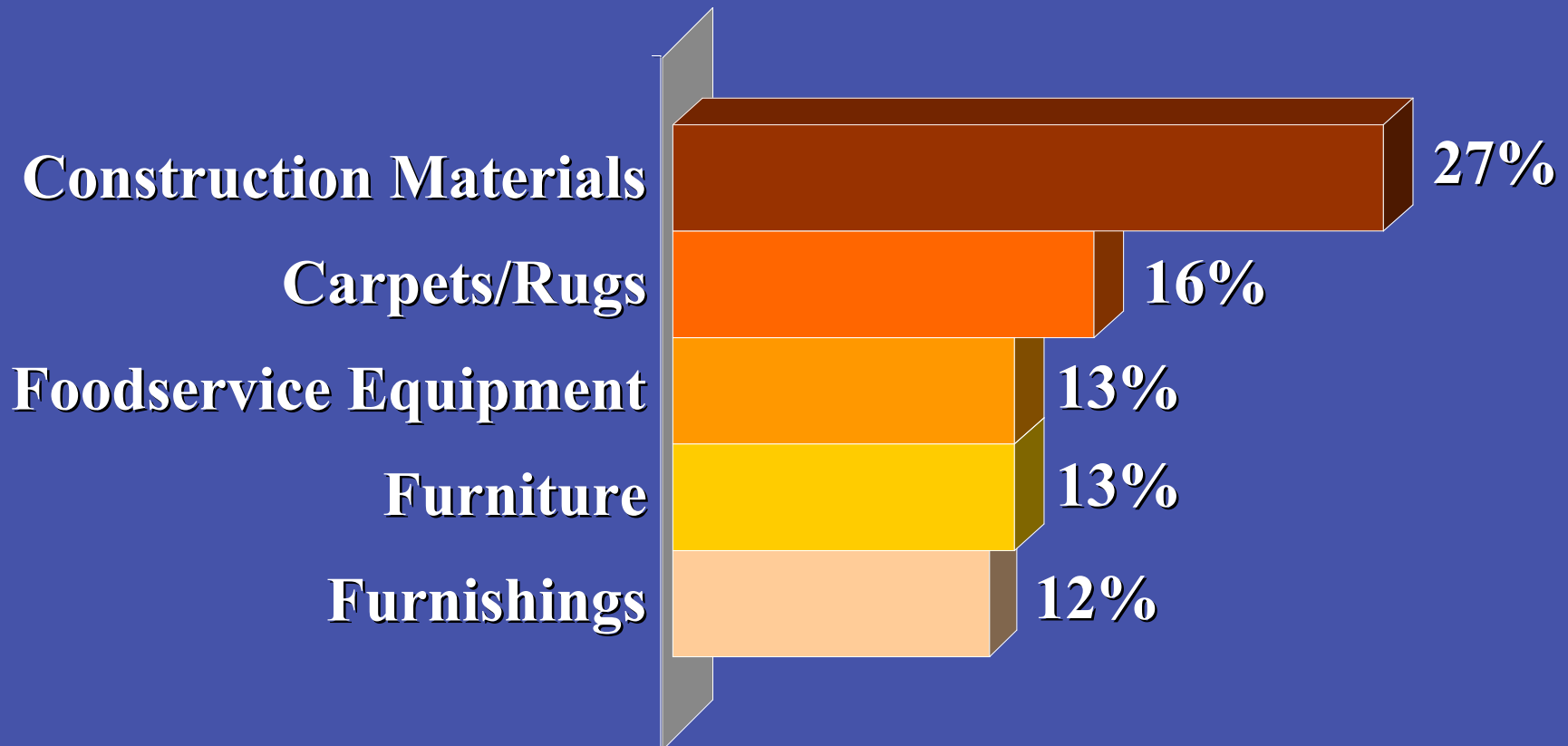
Past Year Internet Purchasing/Specifying

- Thirty-four percent of respondents who access the internet for work functions reported purchasing or specifying products or services on the internet.



Past Year Purchasing/Specifying

- The most frequently purchased or specified items on the web were construction materials, carpets/rugs, foodservice equipment, furniture and furnishings.

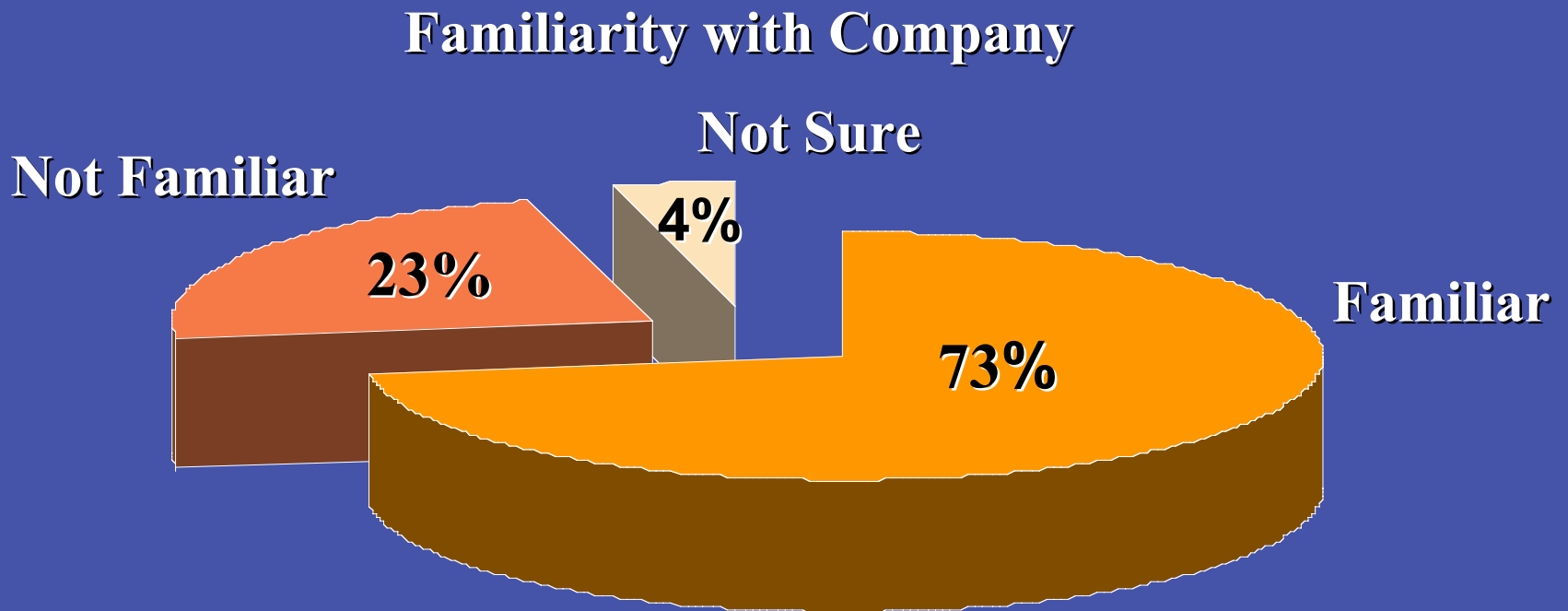


Unaided Response

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Past Year Purchasing/Specifying

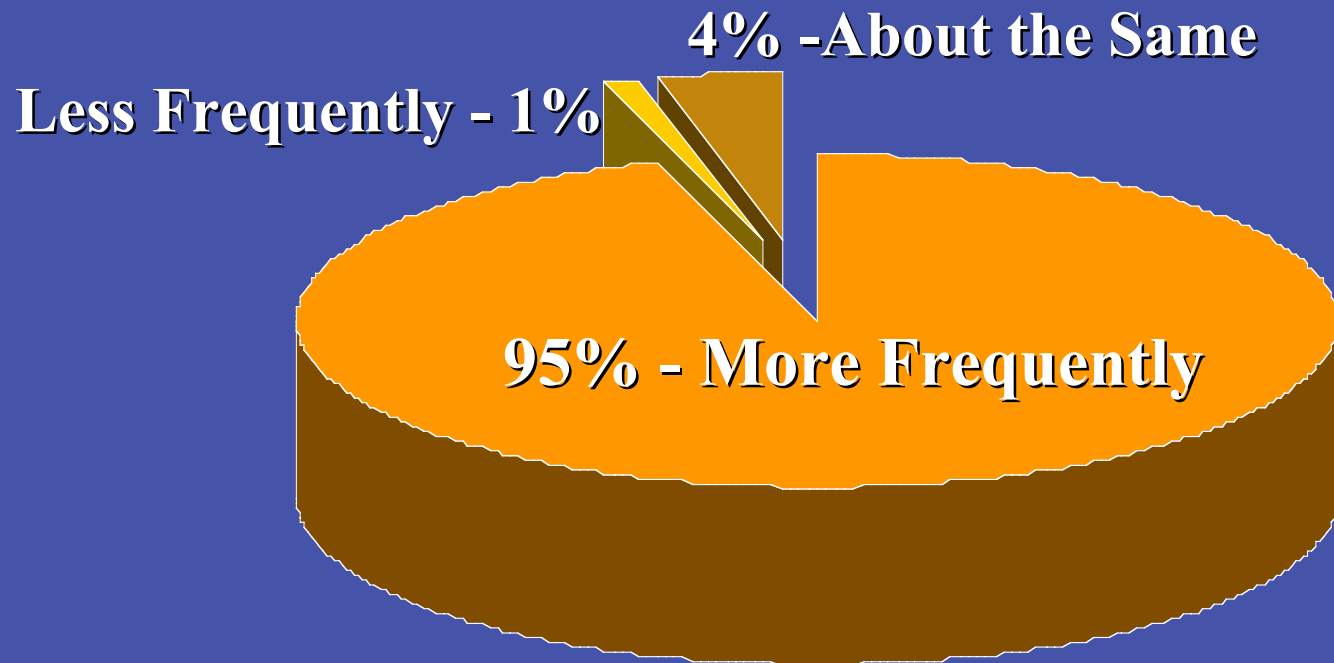
- In total, 165 products were specified or purchased on the web by 97 respondents. Of these 165 products, 73% were purchased from companies previously known to the respondent.



Future Internet Purchasing/Specifying

Future Internet Purchasing/Specifying

- In the next 5 years, 95% of respondents with net access say that they will use the net more frequently to specify or purchase products.



Future Internet Purchasing/Specifying

- Respondents indicated that they have or will purchase/specify the following products:



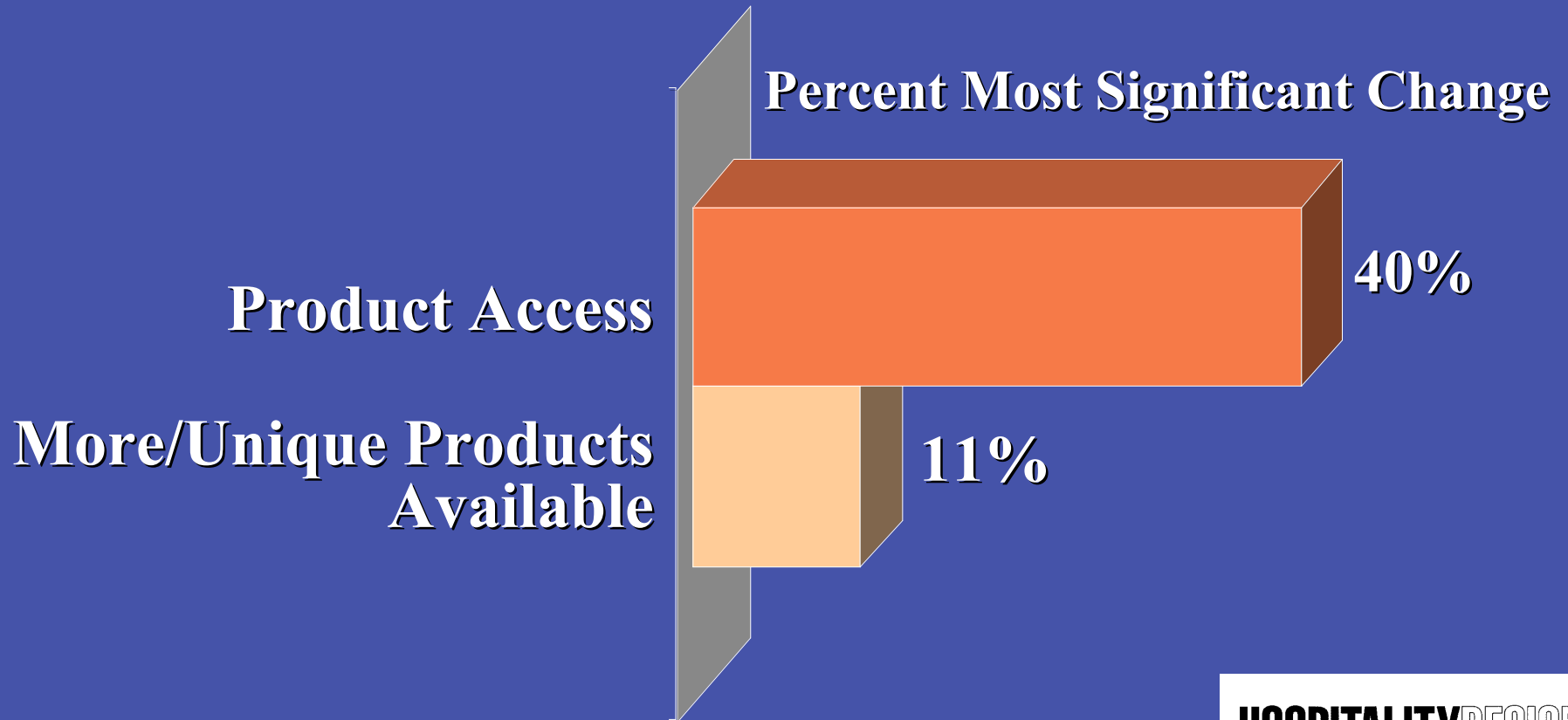
Future Internet Purchasing/Specifying

- Design/architecture firm respondents have or expect to purchase a wider variety of products on the internet than hotel/restaurant company respondents.

	D/A	H/R
	<u>Firms</u>	<u>Companies</u>
Tile/Vinyl/Wood Flooring	74%	46%
Surfacing Materials/Laminates	69%	42%
Lighting	78%	59%
Plumbing Fixtures	66%	47%
Signage	59%	43%
Wall Coverings	58%	43%
Glassware/China/Napery	20%	38%

Future Internet Purchasing/Specifying

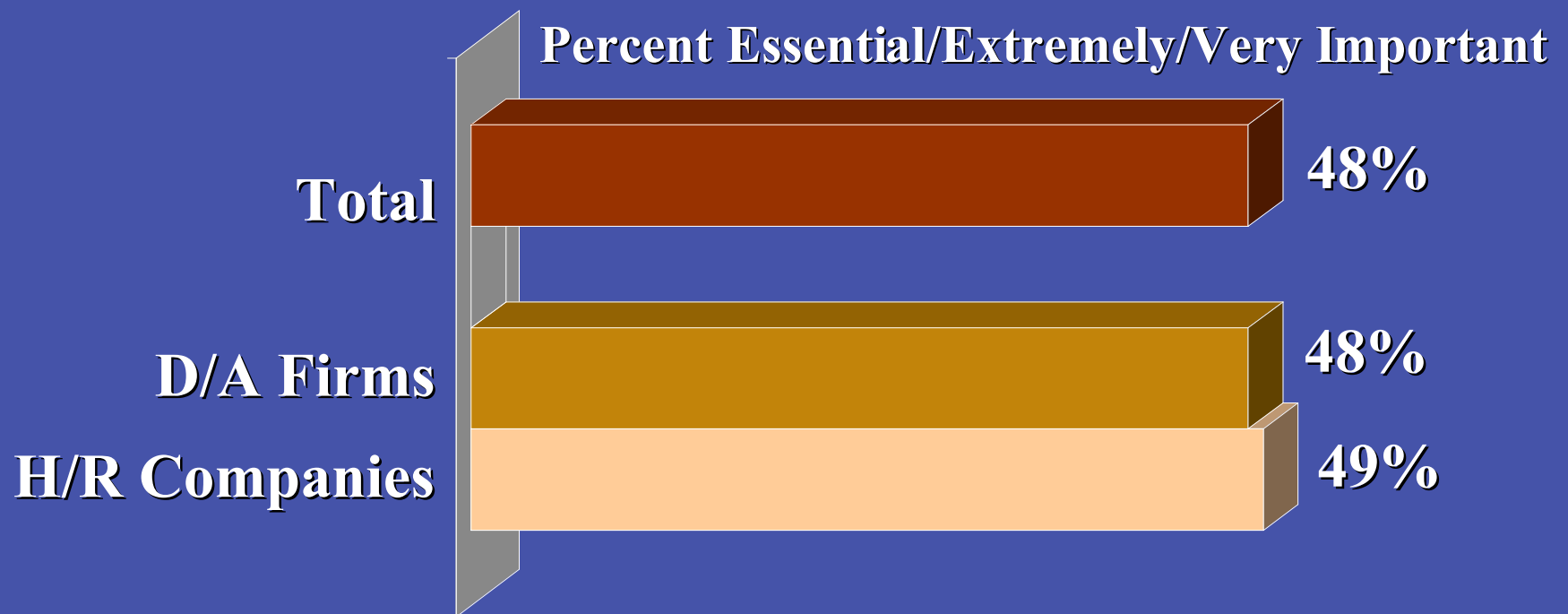
- Faster access to a broader range of worldwide products and services was seen as the most significant change the internet will have on the hospitality design market.



Internet Transaction Concerns

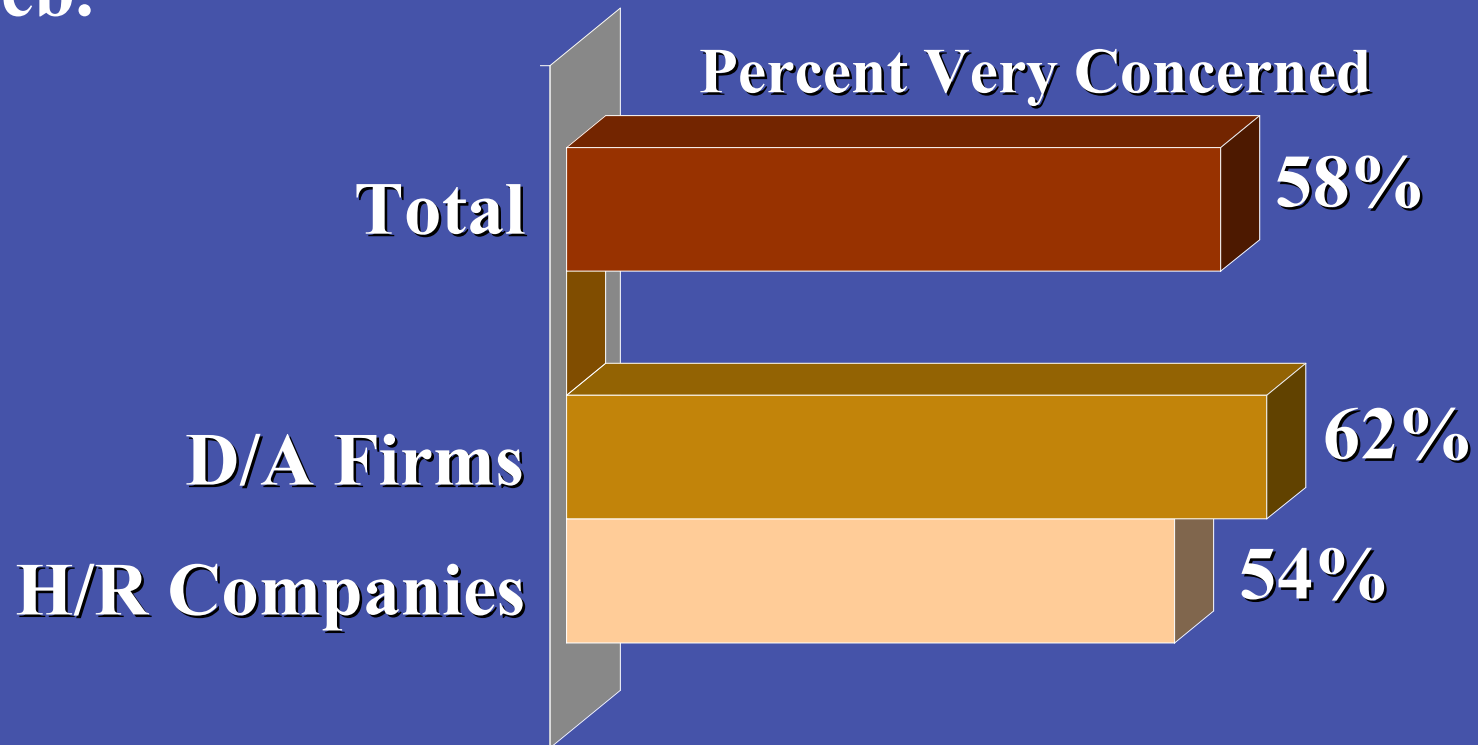
Internet Transaction Concerns

- Forty-eight percent of respondents who access the internet for work functions say that an independent reliability rating system for companies selling products on the internet is essential/extremely/very important.



Internet Transaction Concerns

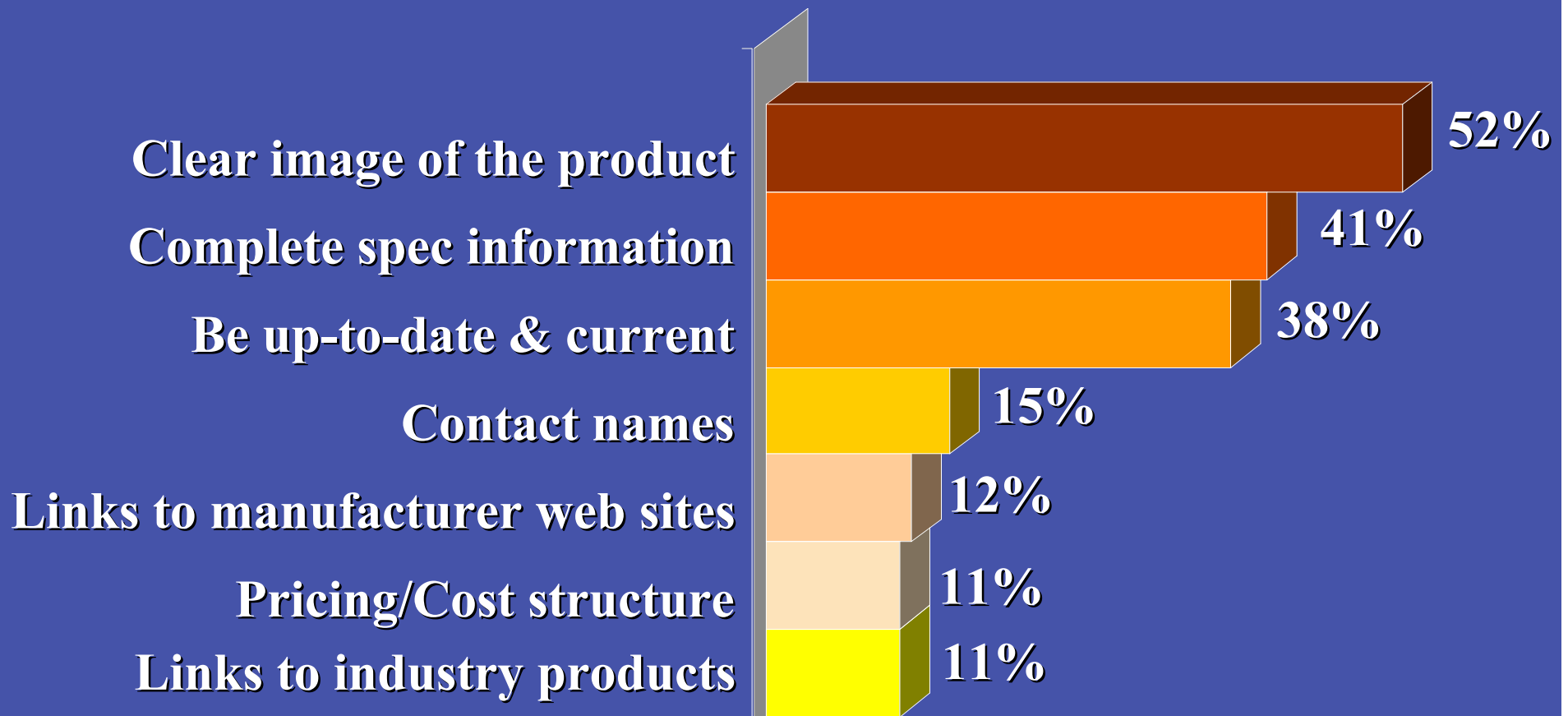
- Fifty-eight percent of respondents who access the internet for work functions said they are very concerned over secure financial transactions on the web.



The Ideal Hospitality Web Site

The Ideal Hospitality Web Site

- The most frequently mentioned descriptions of the ideal hospitality web site:



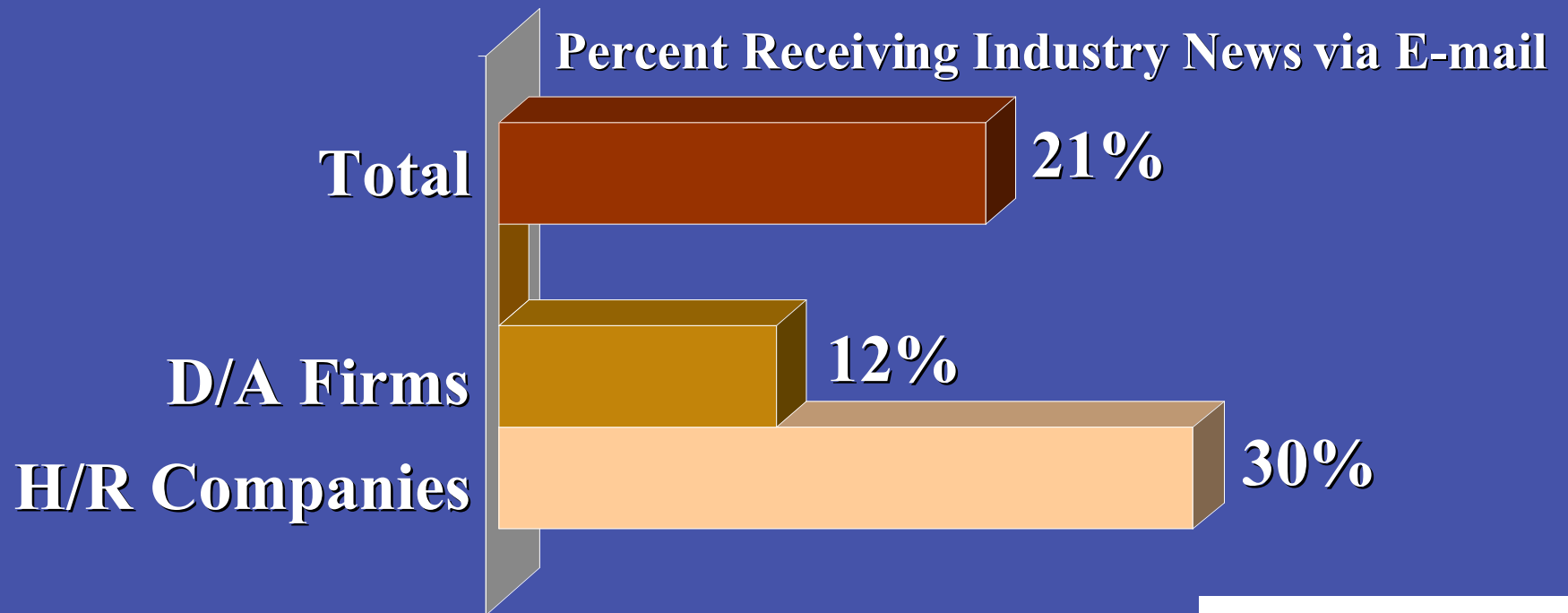
Unaided Response

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Hospitality News via E-Mail

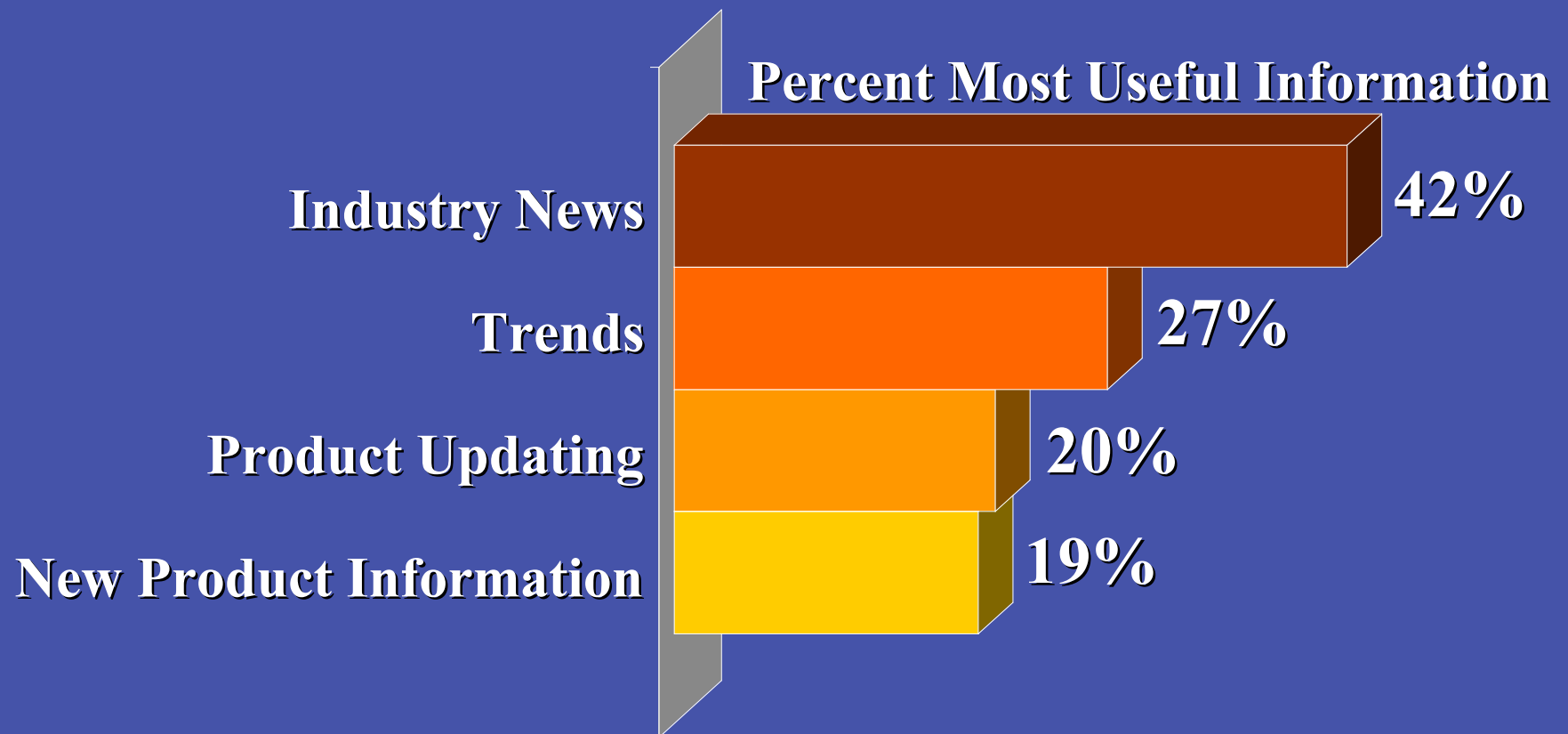
Hospitality News via E-Mail

- Twenty-one percent of respondents receive industry news via e-mail.
- Hotel/restaurant company respondents are more likely than design/architecture firm respondents to receive industry news via e-mail.



Hospitality News via E-Mail

- The most useful types of information respondents said they received via e-mail news:



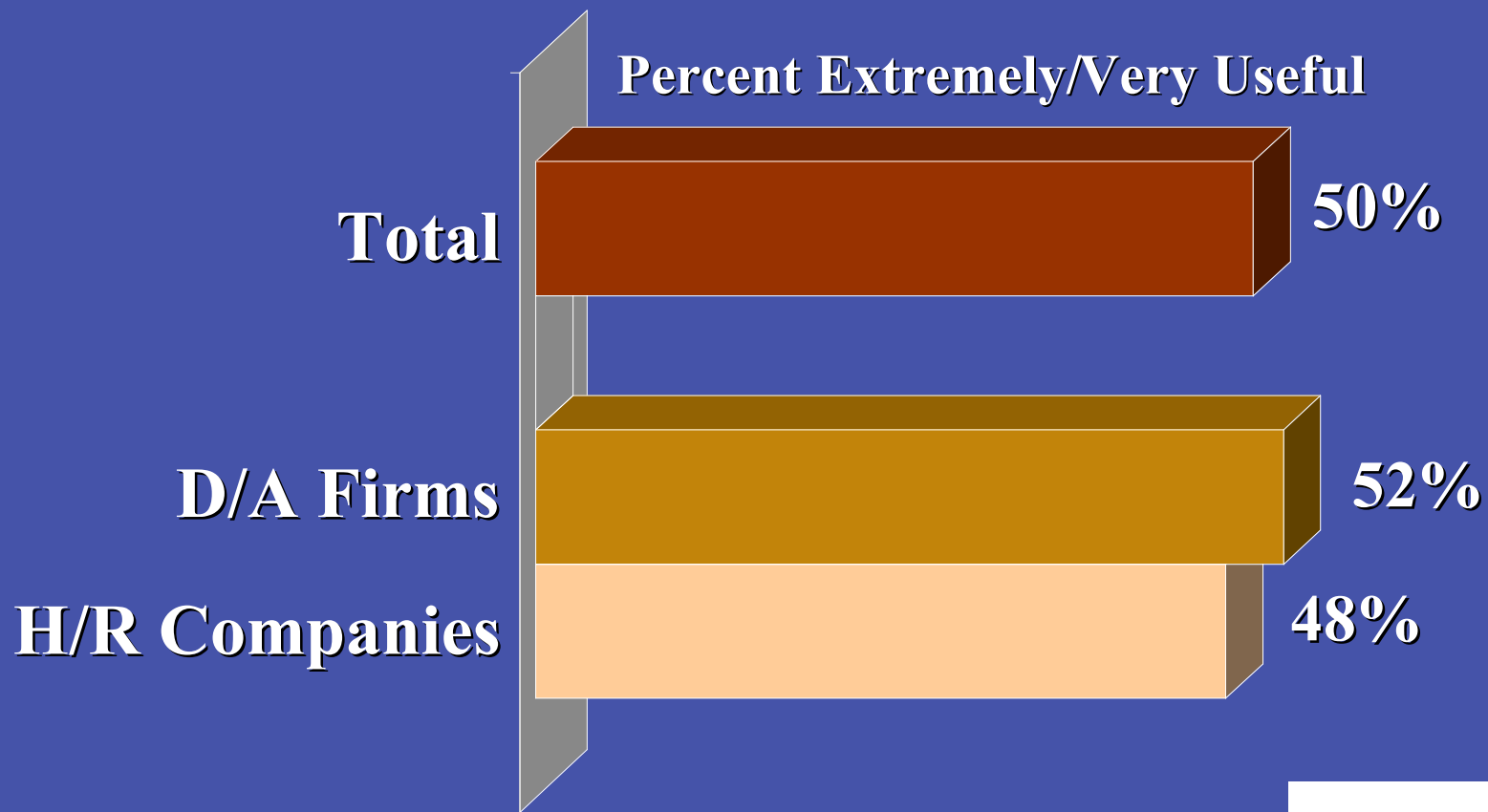
Unaided Response

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Usefulness of a Visual Project Library

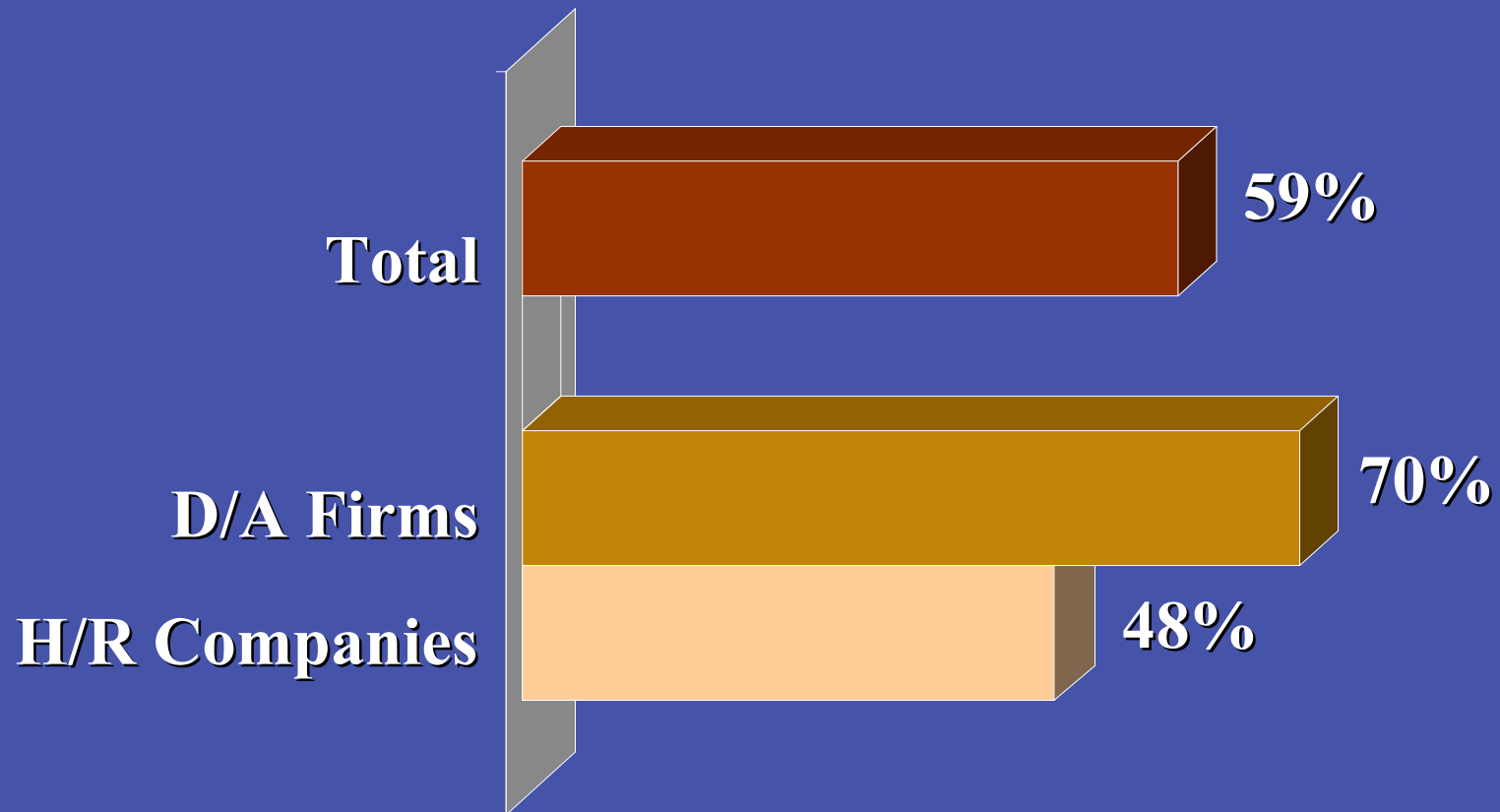
Usefulness of a Visual Project Library

- Fifty percent of respondents said that a visual library of completed design projects catalogued by type of project would be extremely or very useful.



Usefulness of a Visual Project Library

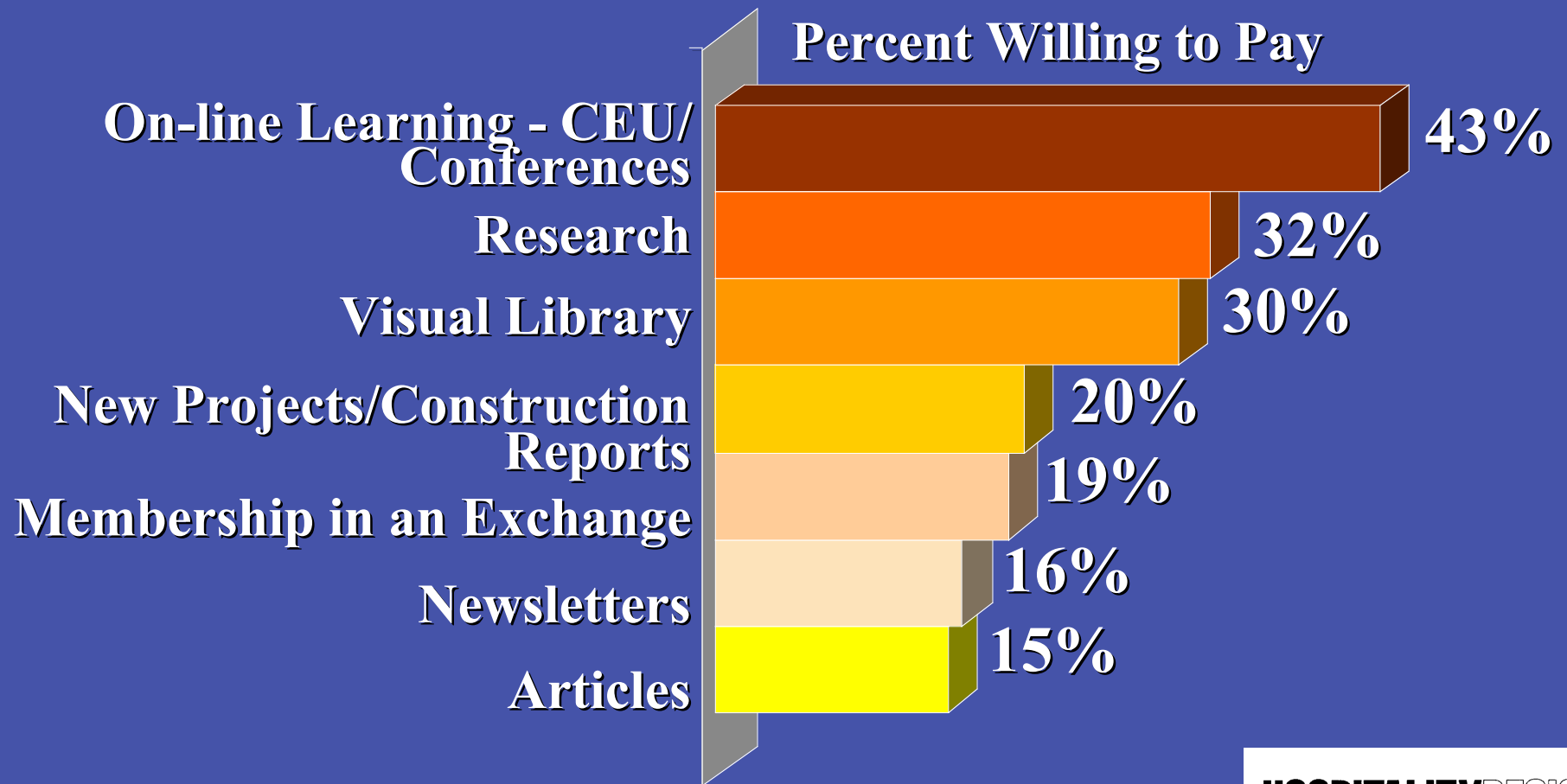
- Fifty-nine percent of respondents would e-mail links of a visual library to their clients to demonstrate design concepts or products in use.



Fees for Web Services

Fees for Web Services

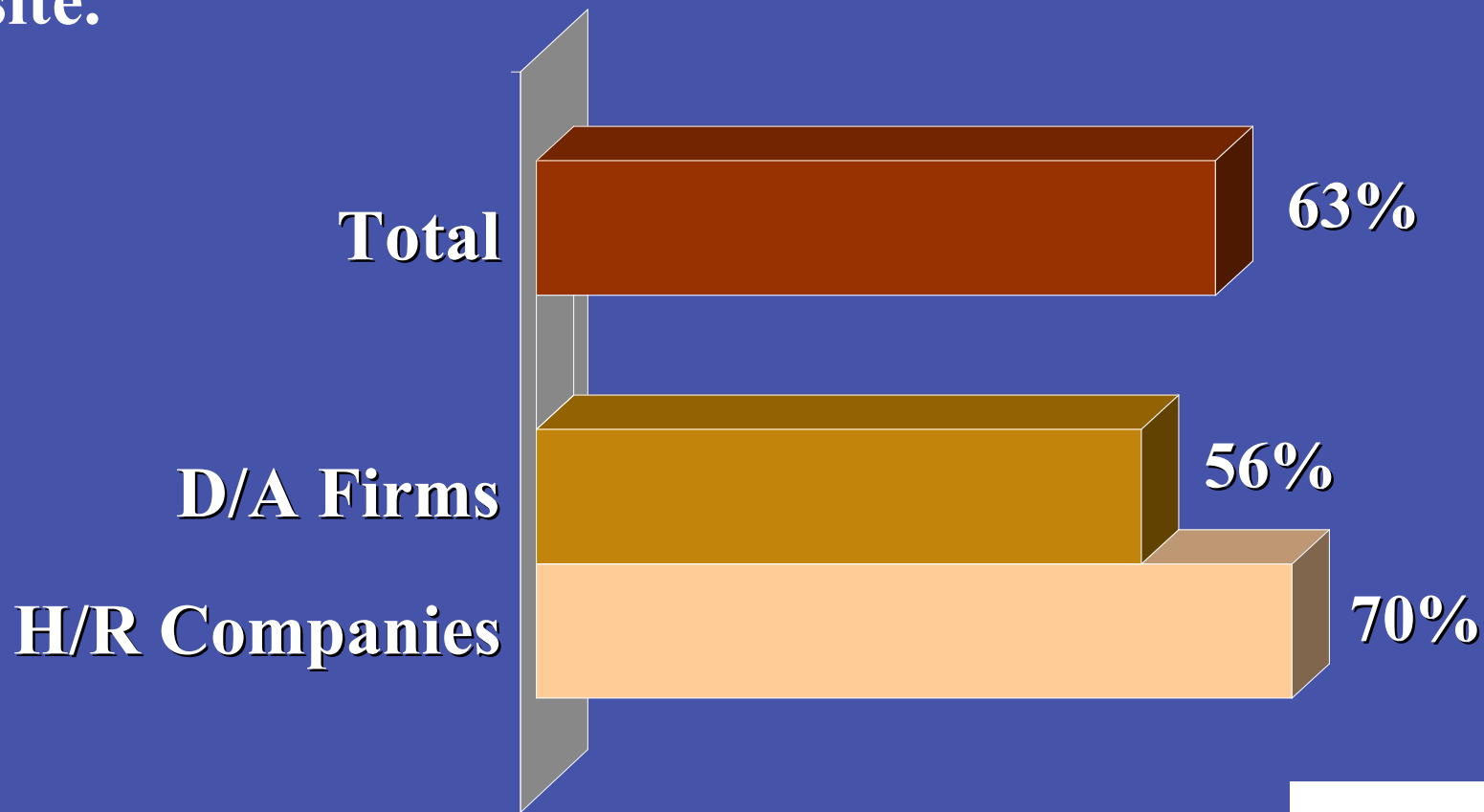
- On-line learning - CEU/conferences, research, and visual libraries were the web based services for which respondents were most willing to pay a fee.



Firms' Internet Web Sites

Firms' Internet Web Sites

- Seventy percent of hotel/restaurant company respondents and fifty-six percent of design/architecture firm respondents reported that their firm had a web site.



Firms' Internet Web Sites

■ Company web sites currently include:

	<u>Total</u>	<u>D/A</u> <u>Firms</u>	<u>H/R</u> <u>Companies</u>
Information on company	97%	98%	97%
Images of completed projects	64%	88%	45%
List of completed projects	63%	88%	43%
Links to other web sites	39%	35%	42%
Industry news	19%	14%	23%

Firms' Internet Web Sites

- Two thirds of the respondents do not know how their company measures success of its web site.

	<u>Total</u>	<u>D/A Firms</u>	<u>H/R Companies</u>
<u>How success is measured:</u>			
Don't know	66%	67%	64%
Hits	10%	10%	11%

Firms' Internet Web Sites

- Thirty percent of hotel/restaurant companies reported that they had visited a design, architectural, construction or purchasing firm's web site.
- Of these, 28% said that these web sites were very important in their selection process.