

#### 4 Ways to Avoid Running Out of Money During Retirement

If you have a \$500,000 portfolio, download the guide by *Forbes* columnist Ken Fisher's firm. Even if you have something else in place, this must-read guide includes research and analysis you can use right now. Don't miss it!

[Click Here to Download Your Guide!](#)

FISHER INVESTMENTS\*

Dow Jones Reprints: This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers, use the Order Reprints tool at the bottom of any article or visit [www.djreprints.com](http://www.djreprints.com)

See a sample reprint in PDF format.

Order a reprint of this article now

**THE WALL STREET JOURNAL.**

WSJ.com

TECHNOLOGY | Updated August 23, 2012, 6:07 p.m. ET

## On Orbitz, Mac Users Steered to Pricier Hotels

By DANA MATTIOLI



Orbitz has found that Apple users spend as much as 30% more a night on hotels, so the online travel site is starting to show them different, and sometimes costlier, options than Windows visitors see. Dana Mattioli reports. Photo: Bloomberg.

### Why the Apple Demographic Is So Important



Apple is practically creating its own demographic, and researchers are trying to define it. Their goal: to see if higher income levels translate into higher spending. [Read more](#).

[Orbitz Worldwide](#) Inc. has found that people who use [Apple](#) Inc.'s Mac computers spend as much as 30% more a night on hotels, so the online travel agency is starting to show them different, and sometimes costlier, travel options than Windows visitors see.

The Orbitz effort, which is in its early stages, demonstrates how tracking people's online activities can use even seemingly innocuous information—in this case, the fact that customers are visiting [Orbitz.com](#) from a Mac—to start predicting their tastes and spending habits.

Orbitz executives confirmed that the company is experimenting with showing different hotel offers to Mac and PC visitors, but said the company isn't showing the same room to different users at different prices. They also pointed out that users can opt to rank results by price.

Orbitz found Mac users on average spend \$20 to \$30 more a night on hotels than their PC counterparts, a significant margin given the site's average nightly hotel booking is around \$100, chief scientist Wai Gen Yee said. Mac users are 40% more likely to book a four- or five-star hotel than PC users, Mr. Yee said, and when Mac and PC users book the same hotel, Mac users tend to stay in more expensive rooms.

"We had the intuition, and we were able to confirm it based on the data," Orbitz Chief Technology Officer Roger Liew said.

### Journal Community

***Should your computer's operating system (PC vs. Mac) be used to serve you differentiated search results?***

Yes

No

SUBMIT VOTE

[View Results »](#)

The sort of targeting undertaken by Orbitz is likely to become more commonplace as online retailers scramble to identify new ways in which people's browsing data can be used to boost online sales. Orbitz lost \$37 million in 2011 and its stock has fallen by more than 74% since its 2007 IPO.

The effort underscores how retailers are becoming bigger users of so-called predictive analytics, crunching reams of data to guess the future shopping habits of customers. The goal is to tailor offerings to people believed to have the highest "lifetime value" to the retailer.

Orbitz first confirmed Mac users' preferences in October and began working them into the complicated mix of factors that determine its search results. The effect isn't always obvious. In tests performed by *The Wall Street Journal*, search results for hotels in cities including Las Vegas, Orlando, Philadelphia and Boston were the same for both Macs and PCs. A New York search turned up more expensive hotels for Mac users, but only after the first 20 listed.

### Reaction to Orbitz Experiment

News of Orbitz's Mac-targeting tests lit up the social media sphere as soon as our story published with "Orbitz" trending on Twitter's top

Other searches showed more significant differences. A Mac search for a hotel in Miami Beach for two nights in July displayed costlier boutique hotels on the first page of results, such as Sagamore, the Art Hotel and the Boulan South Beach, that weren't displayed on the PC's first page. Among hotels appearing in both searches, some

10 list throughout much of Tuesday. [Read More.](#)

pricier options (such as the \$212 Eden Roc Renaissance and the \$397 Fontainebleau) were listed higher on the Mac. Overall, hotels on the first page of the Mac search were about 11% more expensive than they were on the PC.

Similarly, hotels on the first page of results for Baton Rouge, La., appeared in different order for Mac and PC and were 13% more expensive in aggregate for the Mac search.

Rival travel sites [Expedia Inc.](#), [Priceline.com](#) Inc. and Travelocity, which is a unit of Sabre Holdings Corp., don't use a person's computer operating system when suggesting hotels, spokesmen said. Apple declined to comment.



Associated Press

Orbitz found Mac users on average spend \$20 to \$30 more a night on hotels than their PC counterparts.

Neil Sazant, president of Sagamore, reacted with a mix of admiration and concern to the algorithm. "That's incredible, but I wouldn't want to miss out on PC users," he said. Mr. Sazant says about 15% of rooms at the 93-room hotel are booked through a mix of online sites like Orbitz and that appearing on the first page of results is important in those searches.

Orbitz's chief executive, Barney Harford, has made data mining a priority. Shortly after joining the company in 2009, the former Expedia executive opened a small office in Sunnyvale, Calif., and recruited statisticians with backgrounds from [eBay Inc.](#) and [Google Inc.](#) for a new analytics team.

Digging into the data, the team found some hotels were far more likely to be booked by Mac users. Nearly half of bookings on Orbitz for the Public Chicago—a high-end Chicago hotel that boasts features such as "lobby socializing"—come from Mac visitors, said Mr. Liew of Orbitz.

### Mac vs. PC

Top hotels measured by booked-room nights by Mac and non-Mac users in selected cities in May:

#### Mac users

- Las Vegas -- Excalibur Hotel & Casino
- New York -- Park Central New York
- Los Angeles -- Hollywood Roosevelt Hotel
- Miami -- Hyatt Regency Miami
- Chicago -- Congress Plaza Hotel

#### Non-Mac users

- Las Vegas -- Stratosphere
- New York -- Park Central New York
- Los Angeles -- The Wilshire Hotel
- Miami -- Miami Beach Resort
- Chicago -- The Whitehall Hotel

Source: Orbitz

Erica Spayd, a store designer from Queens, N.Y., uses Orbitz to reserve flights and hotels from time to time using her MacBook Pro. "It's clever," the 31-year-old said of Orbitz's Mac targeting. "As long as there's an option to sort by price I'm fine with it."

Orbitz said the effort to incorporate Mac vs. PC distinctions is still in its formative stages and isn't evident across the site. Other factors have more influence over results, Mr. Liew said, including a user's location and history on the site, as well as a hotel's overall popularity and promotions. Still, he said, use of a Mac can influence results.

Apple users already stand out as big spenders. Nearly half of retailers in a recent study by Forrester Research and Shop.org said users of tablets—a large majority of which are iPads—tend to place bigger online orders than users of laptops or desktops. Shoppers on Apple devices like iPhones also outspend shoppers using Android or BlackBerry devices, accounting for half of all mobile purchases, according to International Business Machines, which tracks data from retailers.

Fashion site Rue La La pays close attention to iPhone and iPad users, who account for 75% of all of its mobile orders, said CEO Ben Fischman.

Companies are just starting to look at whether users of Macs, who make up just 9.8% of the U.S. personal-computer market, according to market research firm Gartner, might exhibit similar characteristics.



The average household income for adult owners of Mac computers is \$98,560, compared with \$74,452 for a PC owner, according to Forrester.

Eventually, Orbitz may start to test if Mac users have identifiable preferences for car rentals and flight bookings. "It would be nice to say they book more Porsches, but at this point we're only looking at hotels," Mr. Yee said.

Write to Dana Mattioli at [dana.mattioli@wsj.com](mailto:dana.mattioli@wsj.com)

### Some of the Criteria Orbitz Uses: Hotel Discounts, Browsing Activity

A computer's operating system is one of several factors Orbitz considers when serving up search results. The top results, for instance, are reserved for hotels that pay Orbitz for high-profile placement.

Other criteria:

**Deals:** When hotels offer discounts, those properties move higher in the search results for all visitors.

**Referring site:** Orbitz makes assumptions about users' spending habits based on how they arrive at the site. If a shopper enters Orbitz through Kayak.com, which aggregates offers from travel sites, it might indicate a user is more sensitive about price than a visitor coming from review-focused TripAdvisor, who may be more interested in hotel ratings.

**Return visits:** Booking history as well as other previous activity on the site also come into play. Using purchase history from logged-in visitors, the site knows if a user has repeatedly looked at certain hotel chains and may display those properties higher in the results.

**Location:** Orbitz considers where a shopper is booking from. Using past purchase data, Orbitz looks at the types of hotels New Yorkers tend to book when visiting Miami, for example, and takes those properties into account.

—Dana Mattioli

Copyright 2012 Dow Jones & Company, Inc. All Rights Reserved

This copy is for your personal, non-commercial use only. Distribution and use of this material are governed by our [Subscriber Agreement](#) and by copyright law. For non-personal use or to order multiple copies, please contact Dow Jones Reprints at 1-800-843-0008 or visit [www.djreprints.com](http://www.djreprints.com)

