



# Net Value

## Marketing Travel On The Internet

### Less travel advice?

Travel-review websites – led by Trip Advisor – created and drove the growth of the traveller hotel review category, demonstrating the potential role of user-generated reviews in the trip-planning process.

Travel internet companies noticed, and so bought or created their travel-review sites: Expedia with Trip Advisor; Travelocity, Igo Ugo; Priceline, My Travel Guide; Side Step, Travel Post (which in turn was bought by Kayak and then sold to a start-up led by Expedia's founders).

### Hotel reviews/posts by type of website

Item	2009	Growth,%	2008
<b>OTA hotel review sites</b>			
number,x1000	700	52	460
share,%	74	42	52
<b>Traveller-review sites</b>			
number,x1000	200	-50	400
share,%	25	-46	46

Notes: Some data estimated by Net Value from PCW data. Remaining views/posts were on social networks and trip-planning sites. Source: PCW, Net Value.

But research company PhoCusWright (which raised this topic to Net Value) said that in 2009 travellers actually posted three times as many reviews on OTA sites (online travel agency) than on travel-review sites. Although the OTA share was also higher in 2008, there was big growth in 2009, see table.

Travellers posted more than 700,000 reviews, up about 40%, across the six largest OTA sites in 2009.

### Go no FURther

FUR\* has changed its tracking of leisure travellers in Germany using the internet to book travel. Previously, it measured what share booked on the internet – and its annual studies showed that the number had increased five-fold over 2001-8, see table.

For 2009 FUR began tracking what

### Internet usage in Germany for leisure travel, % share

Jan	Booking
2008	23
2005	14*
2003	9
2001	4

Notes: Not shown after 2008. \*Adjusted; contemporary FUR data showed 15%. Source: FUR.

is an imprecise 'very often' and 'from time-to-time' categories for which sites respondents visited, and five of the seven categories were essentially the same. Given the element of error, FUR's new findings are meaningless in a practical sense.

Another measure was more categorical in its findings – showing the greatest share (37%) visiting 'reference websites and wikis' for information.

But we question the ability of those surveyed to categorise sites. Other categories were 'travel review platforms', 'blogs', 'social networks'. We would find it difficult to differentiate between a reference site, a travel review site, and blog site – particularly when there are click-throughs for many activities, and many travel sites try to be everything to everyone.

Elsewhere, we have criticised other aspects of the FUR study, worrying that it may track certain activity with a purely academic interest rather than with a marketing bent. This way of working now seems to have extended to its research on internet activity.

\*Forschungsgemeinschaft Urlaub und Reisen.

### Lost searching

Skyscanner searches sites for travel deals. It also reports on travel trends extracted from its site activity. Unfortunately, it sometimes mis-reads these, on one occasion leading the Foxtrots blog to rename the company Skyscammer.

There are more examples. In UK

searches for flights, its top-10 (in March) is based not on March 2009 as it should be, but on February 2010.

The research has value but needs more professional analysis to extract that value. For instance, the better-known destinations (from the UK) such as Paris might get fewer searches – or not?

Also, Skyscanner does not explain why Larnaca in Cyprus is searched less than Paphos (yes, also in Cyprus). And how Dalaman can make the top-10. It is a gateway for Turkey's Mediterranean coast, but presumably it is an important search item because Thomson Holidays or another operator was offering a special that month.

Skyscanner makes similar errors of misjudgement in other markets.

At the end of April it reported that political unrest in Thailand (actually only Bangkok) was not affecting searches in North America for travel to Bangkok in June, July, and August. We are surprised, but accept the comment.

However, Skyscanner went on to reduce the value of its own findings by adding that in December 2008 there were "no major drops in flight searches to Bangkok following the closure of its two main airports during a period of civil unrest."

Yet the facts are that over November-January, monthly drops in visitor arrivals in Thailand were 31%, 39%, and 20%. If Skyscanner found no difference, then that seems to indicate that there is no correlation between searches and actual visits.

That in itself is valuable information, but Skyscanner has missed it.

### Travel search in UK, March

Destination	Change*
Malaga	0
Alicante	0
Tenerife	0
Palma	1
Faro	-1
London	0
Dalaman	3
New York	-1
Dublin	0
Amsterdam	-2

Notes: \*In ranking. Source: Skyscanner.

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