

Net Value

Marketing Travel On The Internet



From Travel Business Analyst

Pegasus on crises

Pegasus Solutions has compiled a study* on the crises earlier this year in Japan, New Zealand, and Middle East/North Africa.

- Percentage growth in hotel bookings in **Middle East/North Africa** - 2011: Feb +16%; Jan +44%. 2010: Dec +48%; Nov +48%; Oct +32%. This data represents a 30% drop in booking growth.

- Percentage growth in forward bookings in **Middle East/North Africa** - 2011: Mar -47%; Apr -86%; May -94%; Jun -97%; Jul -98%; Aug -98%.

- Percentage growth in bookings in **Egypt** - 2011: Feb -85%; Jan +2%. 2010: Dec +53%; Nov +64%; Oct +32%. This data represents a 100-point drop in booking growth.

- Percentage growth in forward bookings in **Egypt** - 2011: Mar -79%; Apr -88%; May -97%; Jun -98%; Jul -97%; Aug -98%.

- Percentage growth in bookings in **Tunisia** - 2011: Feb -20%; Jan +3%. 2010: Dec +22%; Nov +42%; Oct +9%.

- Percentage growth in forward bookings in **Tunisia** - 2011: Mar -76%; Apr -97%; May -99%; Jun -99%; Jul -99%; Aug -100%.

There was also a contagion effect - the UAE (which includes Abu Dhabi and Dubai) experienced a fall:

- Percentage growth in bookings in **UAE** - 2011: Feb +37%; Jan +51%. 2010: Dec +46%; Nov +52%; Oct +29%.

- Percentage growth in forward bookings in **UAE** - 2011: Mar -34%; Apr -84%; May -94%; Jun -96%; Jul -98%; Aug -98%.

For Japan, after its 9.0 earthquake on March 11, and subsequent tsunami and nuclear-plant damage:

- Percentage growth in bookings in **Japan** - 2011: 4 Mar +1%; 8 Mar +4%; 12 Mar -269%; 16 Mar -156%; 19 Mar -109%.

The tsunami following the earthquake in Japan hit Hawaii much less than Japan of course, but travel bookings were still affected:

- Percentage growth in bookings in **Hawaii** - 2011: 4 Mar +11%; 8 Mar

+41%; 12 Mar -24%; 16 Mar -23%; 19 Mar -8%.

For New Zealand, after its 6.3 earthquake on February 22:

- Percentage growth in bookings in **New Zealand** - 2011: 17 Feb +1%; 22 Feb -81%; 27 Feb -68%; 5 Mar -26%; 8 Mar -35%.

*Source: Extracts from *Pegasus View, Special Edition, March 2011.*

OTAs catch suppliers

Hotel and airline websites lost share against OTAs (online travel agencies) in 2010, according to PhoCusWright. *Although most observers and travel principals have always*

said the principals' share will increase, Net Value has always said the opposite.

PCW says hotel websites took 67-72% of online hotel bookings in 2008-09 (with 28-33% for OTAs), in Q2 2010 the hotels share dropped to 57-69%.

Another factor is conversions.

Supplier websites generally have higher conversion rates than OTAs, but PCW says over the past few years OTA conversion has improved while supplier conversion has fallen.

For instance, airline website conversion dropped from 12% in Q2 2008 to 10% in Q2 2010, and OTA conversion grew from 7% to 8% over the same period.

PhoCusWright findings

- PCW says* the **US corporate groups and meetings** market dropped 29%

in 2009. It provides no further data, but adds that gross travel bookings in 2012 will still be below 2006 levels.

*Source: *PCW's Groups and Meetings.*

- PCW forecasts that OTAs (online travel agencies) in **Latin America** will double their gross bookings to US\$5bn in the next two years.

- Visitors who visit nontransactional sites (NTSs) have a higher **conversion rate** on supplier sites. PCW says visitors to airline websites who also visit NTSs convert at 16%, while others convert at less than 10%. But there is no notable difference in conversion rates for those that visit NTSs and then OTA sites.

- PCW says that when travellers search for **vacation rental** information, the search and portals generate over 50% of referrals to the vacation rental category, with Google and Yahoo contributing a total 40% of visitors.

Bites

- **Singapore's** VPO (visitor promotion office) launched a new website - yoursingapore.com - in Q1 2010. Despite being the wrong name for a visitor site, the VPO said it attracted three-fold increase in site visitors, compared with its old one, representing 5mn unique visitors.

At launch, the VPO told us - but which later it would not deny or confirm - that it counted 300,000 visitors to its old website, and hoped its new site would attract at least 50% more.

The travel booking element on YS is handled by Singapore-based Wego.

- **Accor** says it gets 600k visitors/month to its mobile site, with US\$11mn (€8mn) turnover in 2010. It was due to launch software 'apps' for the iPhone last month, followed by Android-driven phones in May, and the iPad in November.

- **Hitwise** says 'travel' site searches represent 2.05% of searches in **France**. That compares with 3.34% in the UK, the company's only other operation in Europe.

US supplier website and OTA share

Year	Supplier	OTA
2012	60	40
2011	59	41
2010	59	41
2009	60	40
2008	62	48

Notes: Actual, with estimates/forecasts for 2010-2. Source: Travel Business Analyst estimates from PCW data.

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