

Net Value

Marketing Travel On The Internet



From Travel Business Analyst

Agency online falls

Data from ARC (Airlines Reporting Corporation) shows an average 3% fall in online transactions for ARC member US travel agencies in 2012, see table.

This is the second year with falls, but before that there was 15% growth in 2010 and 17% in 2009.

Growth in online transactions for US travel agencies, %

Month	2012	2011	2010	2009
Jan	4.2	-7.9	15.0	16.4*
Feb	6.1	-9.9	16.3	19.6*
Mar	-3.3	-11.2	13.6	20.2*
Apr	-3.7	-9.0	2.5	7.0
May	-1.8	-6.7	-1.1	16.3
Jun	-6.8	-5.7	2.7	15.9
Jul	-0.2	-5.7	1.3	20.2
Aug	-2.2	-8.2	7.7	19.5
Sep	-5.5	-10.1	5.4	19.4
Oct	-6.3	-6.0	-0.8	26.6
Nov	-5.6	-8.1	5.0	19.5
Dec	-7.5	-9.1	0.2	19.8
Average	-2.7	-8.1	15.0	18.7*

Notes: *TBA estimate. Source: Airlines Reporting Corporation, Travel Business Analyst.

Bites

• Travelzoo 2012 results:

-Revenue US\$151.2mn, up 2%; North America US\$108.8mn, up 0.2%; Europe, US\$42.4mn, up 7%.

-22.5mn subscribers, up 5%; North America 16.1mn, up 3%; Europe, 6.4mn, up 10%.

-33% of users access via mobile devices.

• In HRS's Hotels Price Radar* for Q3 2012, rates sold at hotels (HRS-selected cities):

-Europe. Rates in Lisbon -4%, London +4%, Madrid -13%, Moscow -7%, Paris +2%, Rome -6%, Zurich -3%.

-Rest. Rates in New York -2%, Tokyo +32%.

*Hotel Reservation Service, a hotel portal with 250,000 hotels, has offices in Austria, China, France, Germany, Italy, Poland, Russia, Singapore, Turkey, UK. In 2011 it bought hotel.de.

• **Rakuten** says its travel division increased 12.9% in gross transaction value in 2012, and dynamic packages had "solid sales". It gives no other data on

its travel division.

• **PhoCusWright** notes following on-line penetration in AsPac in 2012 – Australia/NZ 39%, China 13%, India 34%, Japan 32%, Southeast Asia 22%.

• Some updates from the Aviation Outlook Asia and Web-in-Travel conferences in Singapore:

• **Expedia** has signed on 13,000 hotels (9000 branded) for its Traveler Preference.

• The online share of **Japan's** domestic flights market is 50%, and 20% international.

• **Japan Airlines:**

-introduced 10 phone apps in 2012, on which there were 700k downloads.

-has 700k fans on Facebook, where it opened its page October 2011.

-gets 10% of its bookings from mobile devices.

• **Malaysia Airlines** says 20-30% of its sales comes from its website. It wants to grow that to 50% over the next 2/3 years.

(In 2009 the airline claimed its website sales had increased from 3% to 30% that year. At the time, we questioned the claim, but these new figures indicate either the 30% was an exaggeration or it was an unstated reference to a specific promotion that year. We apologise for apparently misleading readers.)

• **PhoCusWright** says 48% of travelers in India choose a website because of brand reliability; only 21% choose for price. *Missed from this analysis is some of that 48% might choose a reliable site because its prices are low.*

• **PhoCusWright:** "Consumers can be lead, but must be followed."

• **Silver Needle**, a multi-brand hotel owning group (although with only 4000 rooms) mainly in Australia and Thailand, says its website revenue is US\$1.1mn/month (A\$1mn).

• An ATW and Sita survey found that self-service check-in has increased to 68% of passengers at six airports - Abu Dhabi, Atlanta, Beijing, Frankfurt, Mumbai, Sao Paulo.

More details from the survey, for Atlanta passengers:

-39% used the internet for check-in.

-75% carried a smartphone, but only 45% wanted to book tickets via mobile (63% globally).

-buying parking, meals, upgrades interested 35% (54% globally).

-real-time flight updates via mobile interested 91% of passengers (89% globally).

-sharing travel itineraries on social media interested 15% of passengers (56% globally).

• **Japan's All Nippon Airways** has launched 'Season Three' of its website promoting travel to Japan - Is Japan Cool (IJC)?

The latest instalment features 'kawaii' (cute) and 'traditions', built around the Kyoto area. Part of the 'kawaii' theme is based around singer KPP, a sort-of female PSY/hello-kitty. 'Traditions' is just that, based on Kyoto.

IJC began in February 2012, with Season Two launched later that year, focussing on Okinawa and Tokyo. Season One, which ran through October, counted 900,000 page views, 430,000 YouTube views, and 25,000 likes registered on the website. For the prize offer of air tickets to Japan, 50,000 people from 152 countries/regions participated.

• Based on online customer enquiries, **Gate 1 Travel**, a US-based tour operator, believes the top destinations in 2013 will be India, Croatia, Peru/Ecuador, Italy, China. As happens quite often with online operators, we believe Gate has misinterpreted its own data.

We believe the numbers indicate only an increase in interest in these destinations (or the fact that some destinations are not so well known in the US market, so more in-advance research is needed), not actual likely travellers. For instance, we think it unlikely that Croatia will count more visitors from the US in 2013 than Italy, or even China.

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