



Net Value

Marketing Travel On The Internet

Changes in queries

Hitwise has produced a report showing changes in how consumers are handling their online travel activities. Some indicators:

Top travel websites in US

Site	Share,%
Travel parent	
Expedia	3.2
Southwest	2.7
Travelocity	2.5
Orbitz	1.9
Priceline	1.6
Cheap tickets	1.4
Yahoo travel	1.3
OTAs	
Expedia	14.0
Travelocity	11.2
Orbitz	8.6
Priceline	7.0
Cheap tickets	6.1
Yahoo travel	5.7
Hotwire	5.3
Kayak	4.5
Vacationstogo	3.3
Cheapoair	3.1
Accommodation	
Hotels.com	3.4
InterContinental	2.4
Marriott	1.7
Choice	1.5
Harrah's	1.5
Hilton	1.4
Destinations	
National Parks	1.8
Walt Disney World	1.5
Carnival Cruises	1.5

Notes: In April 2008. OTA = online travel agency. *Map sites excluded. Source: Hitwise.

the web to book travel likely contribute to this trend.

- There was a 40% increase in searches for meta-search websites. However, these queries made up only 0.37% of visits from search engines to travel websites.

- The top searched-for destinations remain unchanged ('disney world', 'disneyland', 'six flags', 'las vegas'). Some US domestic destinations are gaining, while most international destinations

- Most search terms sending visits to travel websites are queries for travel principals (such as airlines and hotels) followed by searches for map website brands (such as Google Maps).

- There has been a 12% fall year-on-year in generic searches - such as 'cheap airline tickets'.

- Searches for specific destinations such as 'disneyland', 'las vegas' have fallen 26%. Hitwise believes this may be a result of consumers knowing more where to go to find what they need. Increased searcher sophistication in multiple-word queries, promotion by travel companies, and increased use of

have fallen off the list. In the four weeks to April this year there were only two international destinations among the top 300 search terms sending visits to travel websites - 'costa rica' and 'orient beach' (in St Maarten in the Caribbean). In 2007, there were five - 'costa rica', 'italy', 'japan', 'jamaica', 'bahamas'.

Hitwise has also listed leading travel sites in the US, see table.

Travelzoo first half

Travelzoo, a travel search and information portal, increased revenue 8% in the first half, see table.

Travelzoo first half net revenue, xUS\$1000

Region	2008	Growth,%	Share,%
North America	38,083	2.4	89.0
Europe	4,619	65.8	10.8
Asia Pacific	110	na	0.3
Total	42,812	8.2	100.0

Source: company.

Although its non-US share is growing slightly, most of its business is still North America - 94% first-half 2007, and 89% this year. Europe's share is now touching 11%.

There have been no new market website openings this year, but in 2007 Travelzoo opened in France, and in Asia Pacific in Australia, China, Hong Kong, Japan, Taiwan; however, Asia Pacific revenue is still weak.

Bites

- Online travel buyers in the US bought more complex travel online in 2007, see table.

Online travel purchases, %

Component	2007	2006	2005
Air ticket	87	94	93
Hotel room	82	83	82
Car rental	56	62	60
Combination of above	39	35	30
Holiday package	26	18	20
Timeshare	16	10	11
Cruise	13	7	10

Notes: Question asked was "In the past year, how many times, if any, have you purchased travel components online?" Source: PhoCusWright.

Almost 40% of online travel buyers

bought a combination purchase and 26% a vacation packages. The 'book together and save' message from online travel agencies may be working, but most supplier discounts is still coming from hotels.

- PhoCusWright projects the online portion of the India marketplace alone will surpass US\$5.7bn by 2010.

- Malaysia Airlines expects its new website will help it increase its internet penetration to 50-60% by 2010. Current penetration is 30%.

Some changes to the site are still being made.

- According to joint research by Hitwise and PhoCusWright, just over half of the top 200 travel websites were booking websites, see table. Advertising and referral sites took another 44%.

Category of top travel sites

Type	Sites	Share,%
Booking	118	53.3
Media	49	38.7
Referral	17	5.0
Other	16	2.9

Notes: Research conducted for Feb 08. Source: Hitwise, PhoCusWright.

- The 10th consumer-travel-trends report from PhoCusWright looks at what might influence online travel.

It says most US online travellers are influenced by anonymous feedback and recommendations from fellow travellers, see table.

Online influences*

Item	Share,%
Travel-related podcasts or live online video	89
Traveller-generated reviews from people not known	87
Travel review websites	86
Travel blogs or online travel diaries	86
Traveller-generated reviews from people known	72

Notes: *Positive influence of features in determining where leisure travel will be purchased online. Source: PhoCusWright.