



Net Value

Marketing Travel On The Internet

Yahoo on Asia

According to a Yahoo report* on Asia:

- There are 82mn internet users in South-east Asia; the total in 2012 is expected to be 130mn.
- 43% access the internet via their phone; 8mn have phones.
- Many people will log onto internet for the first time via their phone.
- Adults spend an average 13 hours/weekly on internet (excluding email) – doubling in the past two years.
- Young internet users. In Indonesia they are likely to be under 23 (and mainly students); Philippines, under 24; and Vietnam, in their 30s.
- Most people who research travel on the internet are male (just over 50%).

**These findings are challenged by PhoCusWright, which says it is not possible to be this specific on the market.*

Air New Zealand records

ANZ has released more online traffic details. (Usually the information released is different enough from previous releases that precise tracking is not possible.)

In January it reported two record weeks, one after the other. Sales were US\$16.6mn (at US\$1 to NZ\$1.71), increasing the following week to another record, US\$20.1mn. Most of this came from the home-country site, of course - US\$12.7mn, which bettered the US\$11.9mn two years earlier.

Not clear is what 'record' periods are doing for ANZ's overall online sales. In some cases, a sale made in a special sales-period replaces a sale that would have been made on some other occasion.

Also, this period of the year is a time of low sales. ANZ has not released annual online sales data, but they were probably about US\$650mn in 2008. Annual sales at these record weekly rates would produce a total over US\$800mn - which indicates much of the sales were 'replacement' not additional.

Europe's online progress

PhoCusWright says online leisure-plus-unmanaged business travel bookings in 2008 represented 29% of Europe's US\$342bn (at US\$1 to €0.72) travel market. The research company expects online travel bookings will grow faster than all travel bookings, which are projected to increase 3%.

Comments on specific markets:

- **France.** According to PCW, France is the second-largest* online travel market in Europe (after the UK) with nearly 25% of all its travel booked online. Online bookings were projected to increase 16% in 2008 to US\$10.1bn.
- **Germany.** PCW says Germany's online travel share is 20% - but it forecasts a huge increase. It believes online sales will represent 33% of the projected US\$66.9bn travel market in 2010. It says the hotel segment increased 60% in 2008.
- **Italy.** The market is expected to grow at least 22% through 2010. The online share, at 12%, is low, but PCW believes it should reach 18% by end-2010. Nearly half the sales are generated by low-fare-airlines. (*This definition usually includes Air One, which is not a LFA, and which has now been bought by a bankrupt Alitalia in a complex financial manoeuvre.*)
- **Scandinavia.** PCW put the region's online sales at US\$6.8bn in 2007 (no published data for 2008), but believes it will pass a 50% share before end-2010. That would make it the second market in Europe to generate half its bookings online (after the UK).
- **Spain.** Online share is expected to grow from 17% in 2007 to 26% in 2010.
- **UK.** PCW says the UK online travel market continues to grow in double-digits, although it is the region's largest online travel market, more than twice the size of France and Germany, representing more than one-third of Europe's internet travel sales.

**Previously, PCW has put the Germany market higher, and was forecasting online sales about 30% higher than in France - and matching earlier patterns. Germany's overall market is bigger (a population 50% larger than France), its online penetration is greater, travel numbers greater (most notably in outbound travel numbers), low-fare-airline penetration greater, and so on.*

Bites

- At end-2008, **most-visited** travel sites globally (excluding maps, converters, guidebooks, search, and similar) were...
...Expedia, Yahoo, Orbitz, Southwest, Booking, Travelocity, Priceline, American, Ryanair, Delta, Easyjet, United, Cheap Tickets, Marriott, Emirates, Continental, Hilton, British, Northwest, InterContinental,

Lufthansa, Japan, Lan-Chile, US Airways, KLM, Air Berlin, Spanair, Venera, Air Canada, Opodo, TUI Fly, Hyatt, Cheap Flights, Qantas, Virgin Atlantic, Air Tran, Tam, Vacations To Go, Cathay Pacific, Turkish, HRS, Spirit, Jet Airways, Accor, Expedia (Canada), Alaska, Iberia, Carnival Cruises, Hotel (Germany), Westjet, Aer Lingus, RCI.

According to Alexa.

- **Jumeirah** Hotels reports 25% growth in sales in electronic distribution. Its target is a 27% share; current share is not reported.

- China's **Ctrip** reports that it is:

-selling 1mn roomnights annually, 1mn air tickets, achieving 2mn clicks daily, and producing 30,000 person-trips monthly (not dynamic packaging). And in China it is important to have an offline presence.

Ctrip on China's online market:

-Market shares - Ctrip 54%, Elong 18%, Mongocity 5%, Yoeo 4%, Sunnychina 3%, Aoyou 2%, 14% others.

-20% of online market is road warriors.

-Advance bookings - more than 80% are 1-3 days before travel.

-Despite government promises of liberalisation, GDS in China is still a confirmed monopoly - Skynet.

- PhoCusWright says 2% of tickets in **India** were sold over the internet in 2001; it was 45% in 2008.

- The US plans to allow **paperless boarding passes** (PBP) across the US starting this year. Currently they are being tested in some airports, but now they will be allowed anywhere the equipment is installed. The system uses a bar code emailed to a mobile phone or PDA.

Current operations:

-Alaska Airlines using PBPs at Seattle and may expand this year to Anchorage, Los Angeles, and Portland.

-Continental uses PBPs at Austin, Boston, Cleveland, Houston, Newark, New York, and Washington.

-Delta, which uses PBPs at New York La Guardia, plans to expand to Atlanta, Orlando, and Salt Lake City, but no firm date given. Northwest, now part of Delta, uses PBPs at Indianapolis.

-United plans to introduce PBPs starting this year.