



WEB PROMOTION IN TRAVEL INDUSTRY



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THE INDUSTRY

Travel sold online, or “online travel”, is the leading and fastest growing category of e-commerce, accounting for over 45% of all online sales during the second quarter of 2002 (comScore, July 2002).

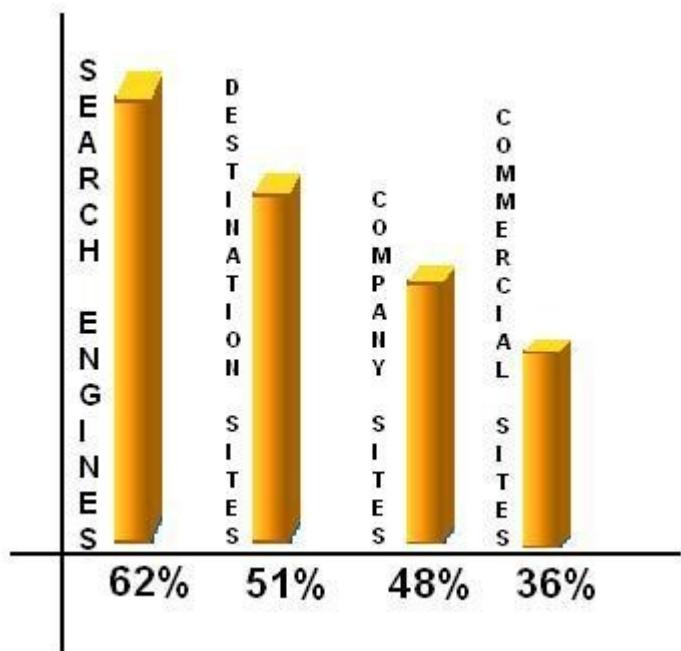
PROJECTED GROWTH

- ✓ Online travel bookings are forecast to grow from \$24 billion (or 11% of all travel bookings) in 2001 to \$64 billion (or 22% of all travel bookings) by 2007.
- ✓ Online hotel bookings are the second largest segment of online travel (after air travel) and are forecast to triple from \$5 billion (or 7% of all hotel bookings) in 2001 to \$15 billion (or 16% of all hotel bookings) in 2007.

TODAY'S TRAVELER

The majority of travelers use search engines to research their trips.

- ✓ In addition, half of all travels use destination sites of specific cities, states, or countries.
- ✓ Nearly as many use company sites: airlines, hotels, rental companies and packaged tour sites.
- ✓ Commercial sites include the online businesses such as Expedia, Travelocity and Priceline.com.



REACTION OF THE INDUSTRY

The industry has realized the Internet's tremendous potential as a global information portal and as a conduit for e-commerce which creates unique marketing opportunities for both products and services.

Among all the available promotional channels, the Internet has the greatest potential to reach a global audience in the most efficient and cost-effective way.

However, the Internet's magnitude also creates a formidable dilemma for every online marketer: "How can I harness the power of the internet to reach my target market(s) in a managed, cost-effective manner?"

PROMOTION ON THE WEB

Some of the important ways of promoting on the web are :

- ✓ Submission of the optimized sites to top and relevant Search Engines and Directories. Understanding the relationship between the search engines is also of utmost importance.
- ✓ Promoting the site through various Pay-Per-Click Search Engines and Campaigns.
- ✓ Promoting the site through Banner Ads, Pop-Ups, Pop-Under, and Skyscrapers.
- ✓ Using email to promote your special offers on products/services to existing customers.

- ✓ Creating an Affiliate Program to increase links to your site and also sales.
- ✓ News letters, Press Releases.

SEARCH ENGINE POSITING IS MARKETING, NOT TECHNOLOGY!

In a world where search properties are changing, our sites are changing and our business goals are changing, search engine positioning is an ongoing, iterative process. It is the use of marketing techniques, translated through technology, to capitalize on the behavior of our potential customers. We need to work to place our Web site's products and/or services in the path of their search behavior. We need to understand this vital difference, to sustain and succeed.

Hence, for successful Search Engine Positioning, site optimization should be a process of optimizing, submitting, registering, positioning, monitoring, and maintaining.

NEED FOR BOOKERS, NOT LOOKERS

Positioning our site in the top slots of search engines isn't enough. The story doesn't end by getting lot of traffic to the site, but it begins here. We need sales. It is always nice to have more visitors to the site, but what we really need is bookers and buyers.

INDUSTRY STATS ON LOOK-TO-BOOK RATIO

Conversion rates (look-to-book ratios) serve as an important indicator of the travel website functionality, the effectiveness of the eCRM tools deployed, the breadth and uniqueness of the travel products offered, the loyalty factors, etc. The higher the ratio, the better. Average conversion rates for most online travel sites is between 5%-8%. This indicates that 92%-95% of the website

traffic falls into the category of "Lookers Only", which means that most of our online travel marketing dollars spent are a waste.

STATS OF OUR COMPETITORS

Expedia achieved a conversion rate of 7% in 2Q 2001, which was substantially higher compared to the 4.1% in Q2 2000. Travelocity boasts a conversion rate of 8.9% in Q2 2001

THIS CAN INCREASE THE LOOK-TO-BOOK RATIO:

- ✓ Proper placement of the recommendation engine is an important tool to facilitate the buyer's decision making process and increase the conversion rates. It can significantly improve the overall user experience.
- ✓ Sites should be truly unique... No Flash, nothing fancy, just attractive, quick downloading, informative web sites that WORK!
- ✓ Sites should be a portrayal of the slogan "Go There, Before You Get There! " We need to allow viewers to preview a property's external features and internal amenities as well.
- ✓ To encourage repeat visitors, "sticky" features (newsletters, discussion boards, special offer sections, etc...) should be included on the site.
- ✓ Many visitors feel more comfortable talking with a live help. This gives more chance for closing a sale. A small effort of putting the TOLL FREE number at a prominent place on all the pages of the site will do the trick.