



Online travel agents vs. travel search engines

We all know Expedia, Travelocity, and Orbitz. These companies are Online travel Agencies (OTAs) and are the dominant players in the industry. How dominant? According to Expedia's Q4 2007 conference call, "75% of U.S. travel shoppers online visit one of Expedia's sites prior to making a purchase."

Think of OTAs as Travel 1.0. These companies took the traditional travel agency business and moved it online. You can call up any of the OTAs and book a flight, change a departure time, or plan a vacation. A traveling Gnome might even make sure a hotel honors your reservation. While the OTAs might charge you fees for some or all services, you get peace of mind and a guarantee that someone has covered your back.

From the travel supplier perspective (airlines, hotels, car rental companies, etc.), OTAs are a friend you love to hate. After 9/11 and the SARS epidemic, the OTAs provided a valuable distribution channel for distressed travel suppliers.

Fast forward to today, though, and the travel suppliers would much rather have people book directly through their own sites versus through an OTA where they have to pay high fees and give up "ownership" of the customer. Because of this, a number of key travel suppliers like JetBlue and InterContinental Hotels do not list inventory through the OTAs.

Travel search engines will never run a call center. Travel search engines will never have a traveling Gnome to guarantee a trip is satisfactory. Travel search engines use technology to help consumers book a flight, hotel, or car as quickly and efficiently as possible. Through SideStep, Kayak, Mobissimo, and FareChase, a consumer can search about a hundred suppliers for the best travel option and then click through to the travel supplier to book. In simple terms, there's no real hand holding with travel search engines. These companies are basically lead generation services.

From the travel supplier perspective, the travel search engines represent a small, but potentially important distribution channel. Now that many of the airlines and hoteliers have invested in their own websites and back-end technology, they can provide the travel engines with almost real time inventory information. The travel search engines, in turn, send consumers directly to the travel supplier's site for booking which means that JetBlue, for instance, doesn't have to pay extra fees to an OTA and JetBlue has the chance to develop a strong relationship with the traveler.

If you're booking an international family vacation to a not-so-well known location, an OTA will probably be your best bet. You want help. If you're booking a quick trip to San Francisco for Ad:Tech, though, a travel search engine might be a better option.

Why FareChase matters

So if you have the dominant OTAs and a number of travel search engines already fighting for the consumer's attention, why does FareChase matter? Truthfully, before

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late last year, I didn't think it mattered at all. FareChase was a quality service, but it was not promoted by Yahoo!

And then, in a bold move by Yahoo!, it created a FareChase tab on the Yahoo! Travel home page. This was an important step for the travel search engines. The booking engine on Yahoo! Travel is powered by Travelocity. While I'm not privy to the details of the Yahoo!/Travelocity relationship, I'm sure it's a lucrative partnership for both parties. Furthermore, Travelocity spends a lot of money advertising on Yahoo! Search Marketing. So for Yahoo! to present its users with an alternative option is a big deal.

Now that FareChase is out of beta, Yahoo! has made an even bolder move and integrated FareChase into Yahoo! Search results. Yahoo's hundreds of millions of users can now see FareChase booking information when they type travel related terms such as "jamaica flight" or "compare las vegas hotel" into Yahoo!. The FareChase results are above the fold as with all Yahoo! Shortcuts. Google has a similar implementation, but Google links to OTAs, not travel search engines.

Because of this new integration, the very small travel search market will potentially get a big boost and become the disruptive technology it's been heralded as for years. With more traffic, travel suppliers might migrate spending to the travel search engines and away from other distribution channels. If this happens, Expedia and Travelocity might be forced to play nice with the travel search engines which they have, up to now, referred to as insignificant competition. The one exception is Orbitz, the only major OTA which has partnered with the travel search engines.

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About Hotel Traffic Builders (HTB):

We are a full-service digital marketing agency dedicated to the boutique hotel & residential resort industry.

Our mission is very simple: ***"To maximize sales success by providing our clients with exceptional internet marketing results"***.

Our clients consistently enjoy industry leading success because of our dedicated focus and experience. Our use of state-of-the art tools, best in class technology and wealth of industry experience enable us to provide full solution applications. We recognize that our clients are experts at running their hotels, and our role is to develop and maintain online marketing leadership for our client hotels.

We differentiate ourselves through:

Industry Expertise

We have a singular specialized focus on boutique hotel, resort and vacation home e-Marketing. Our sole goal is to be the best at what we do by ensuring maximum success for all of your e-marketing activities. Our 52 person design and development technology team delivers unparalleled quality and results. Our sole focus is resort marketing.

Individual Customized Creative Approach & Solutions

Every client has unique needs, opportunities and priorities, our e-Marketing plans are always custom built and based on in-depth research of your specific hotel.

Cutting Edge Technology

We use proprietary state of the art tools and applications that enable project efficiency, measurability and success of your e-marketing. We not only promise success, we document it in a 24/7 real-time secured private reporting platform that we create for

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every hotel client. Our clients never wonder about how hard their marketing dollars are working because they always know!

Return On Investment

The true measurement of our success is our proven ability to deliver reservation bookings. We grow booking results year over year, and we grow advance bookings, which result in higher occupancy levels and ADRs.

Contact us at: www.HotelTrafficBuilders.com or call us **954-421-6399**

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