

Companies In Focus

Newcomers Promise To Inject Innovation Into Travel Search Space

Search engines can differentiate products and sellers, says entrant

You are likely already well acquainted with big names in the travel search game **Kayak**, **Mobissimo** and **SideStep**. But several recent startups are casting the die in this space, both in the U.S. and abroad.

TRB profiles four such companies, each ready to move past initial industry criticism — such as the idea that side-by-side comparisons only encourage consumer price consciousness — and into the future, and potential, of travel search engine (TSE) marketing.

The TSE Character: Serving Two Masters

As a TSE, you essentially have two different customers to please, notes **Brett Snyder**, business director of travel at **PriceGrabber.com**, which currently operates a beta site for comparison shoppers of air and hotel. On the one hand, engines must serve consumers' needs, and on the other, they must act as marketing tools for sellers, he explains. As a result, the focus is on developing strong relationships with both parties, he adds.

From a consumer's perspective, a TSE is different from a general search engine in the amount of targeted, objective information it provides, says **Martin Turner**, COO and co-founder of **Allcheckin.com**, a UK-based engine.

"Google wasn't built to find the best flight ticket from Paris to Oslo for a particular date," agrees **Frosti Sigurjonsson**, general manager of Reykjavik-based engine **dohop.com**. TSEs offer more information to consumers, such as detailing the available flight connections on a particular route, he continues. In addition, a TSE offers comparison-shopping and a direct link to the travel seller's landing page.

Marketing Mojo

The differences between general search and travel search are especially important for sellers, say the newcomers. While search engine marketing (SEM) is a great tool to attract traffic, travel companies will increasingly invest in TSE marketing because these engines "are better at bringing leads," assures Sigurjonsson. "It will be difficult to find a better way to drive qualified leads to travel websites than TSE marketing," he asserts.

Consumers that come through TSEs are much more ready to buy than after a Google search, notes Snyder. That's

because these users have completed their browsing, while with a general search engine the user's focus is more on doing research than booking, he contends.

TSEs can generate higher conversion rates by filtering the traffic they sends to sellers' sites, declares **Peter Suhayda**, CEO and founder of search engine **Travelgrove**. "And we not only filter the users, but we also filter the advertisers," he says. For example, a small merchant may only want to display content for its top 15 city connections, Suhayda explains.

Dohop is experiencing close to 10-percent conversion rates from the leads it brings to airlines, notes Sigurjonsson.

New Criteria To Drive Choices

Last year many in the distribution industry voiced concern about the commoditizing power of comparison-shopping. Those same issues were raised in other industries, but search engines succeeded because "brands do count," stresses Suhayda.

At Travelgrove, administrators inform sellers of their rankings among the results. So if an airline ranks second on average for a particular city connection, it may consider adjusting fares on that route, he explains. "Someone who is able to work with such tools will have an edge over others," he adds.

Sigurjonsson consents that there is too much emphasis on price. That's why "dohop's approach is to focus on finding great value" — to build into the search results comparisons based on many other criteria, he explains.

That's the strategy at PriceGrabber as well. The idea is to differentiate both the product *and* the seller, says Snyder. PriceGrabber is intent on discovering new ways to search, and that includes putting into the process some of the options consumers now only consider post-purchase. These criteria include airline seating and meals, loyalty programs, special promotions and entertainment. Having information like that upfront will benefit both consumers and sellers, he asserts.

Wooing Web Agencies

PriceGrabber also plans to allow sellers to differentiate themselves based on service options, such as the traveler notification tools some online travel agencies already offer their customers, Snyder says.

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At dohop, "we expect [online agencies] to be our largest customers in the future ... We don't see why they would not want us to display their prices, as long as we include all the other factors that help to differentiate their offers," states Sigurjonsson.

Some intermediaries "wish that TSEs did not exist, but this reaction seems more the exception than the rule — and most intermediaries have become early adopters of TSE marketing," notes Sigurjonsson.

Market Pitfalls & Potential

The disparate technology platforms used by travel suppliers makes integration a challenge, says Turner. But for most of the TSEs, the biggest challenge to starting up is developing a sizeable customer base. At PriceGrabber, the new travel site will get a head start by relying on the main company's already assembled base of 18 million unique users, notes Snyder.

Another hurdle for TSEs is increasing per-search revenue. Only one-third of the people that visit Travelgrove's site search it, and just 60 percent of that group actually click on an offer, discloses Suhayda. Nevertheless, the TSE space is an additional and promising distribution channel, he continues. "Unfortunately for [us], the industry is still not sure whether we are a distributor or a competitor."

Allcheckin is not to be deterred. The company is banking on the "continued rapid shift from offline to online booking" in the UK, which is about 2 years behind the U.S., notes Turner.

TSE marketing is "destined to become very big," Sigurjonsson promises. "It would not surprise me if it would be turning over \$1.5 billion worldwide by 2008" when online travel commerce will have grown to \$200 billion, he concludes. ■

Companies In Focus

4 New Kids On The Search Engine Block

1. Allcheckin (www.allcheckin.com)

Age: Founded in the summer of 2004.

Market Focus: Flight, hotel and car for outbound UK travelers and a recently launched dynamic packaging solution with which users can add a hotel room to the best flight deal.

Data Facts: Site can work with all types of data and platforms. Does not differentiate between suppliers with sponsored and unsponsored content. Results are presented in price order, although users can reorder the results.

Industry Role: "The primary role of travel search engines ... is to empower travelers with more choice to select the travel solution that best meets their requirements more quickly and more simply," says **Martin Turner**, COO and co-founder of the company.

2. dohop (www.dohop.com)

Age: Beta site launched in January 2005 and official site launched in April.

Market Focus: Flight connections with low-cost airlines in Europe. The next step is to include all airlines, and a hotel search engine is under development. By early next year dohop.com will cover the full range of travel services, promises **Frosti Sigurjonsson**, company general manager.

Data Facts: Preferred method is a direct connection to an airline's reservation system, but the site mostly uses customized robots to scan for price (only once a user has narrowed down his choice), says Sigurjonsson. Dohop.com welcomes all airlines that wish to be included in its search results free of charge. Ranking of natural search results is not biased on sponsorships.

Industry Role: Travel search engines make it easier for vendors to find customers and vice versa, details Sigurjonsson.

3. PriceGrabber – Travel (www.pricegrabber.com/home_travel.php)

Age: The beta site is currently operational and the company will be working "feverishly" over the next few months in anticipation of an official launch, says **Brett Snyder**, business director of travel at PriceGrabber.com.

Market Focus: Air and hotel, with the goal of offering consumers the most comprehensive and relevant search engine. Usually the focus is on price/scheduling for air and price/rating for hotels, but we want to go beyond that, Snyder adds.

Data Facts: A direct link is the first choice, but the site does scrape. It's not ideal, and "we'll only do that with permission," and we don't display a seller's information without an agreement, says Snyder. All searches are done in real-time with no cached data.

Industry Role: Simply put, "we're a marketing tool," Snyder states.

4. Travelgrove (www.travelgrove.com)

Age: Founded in April 2004.

Market Focus: U.S. air and hotel. While the site does include some overseas airfare merchants, advertisers are only displayed within their relevant regions.

Data Facts: Uses whatever the merchant can provide, and if the merchant can't provide the data, then the site will scrape. Ninety percent of listings are cost-per-click (CPC) based, and the rest are cost-per-action (CPA). All content is live and multi-threaded so that the user waits as long as the slowest merchant takes to show results.

Industry Role: "We believe every company will be asking themselves where their strengths lie and how to show those strengths to the public. We will help those companies achieve this," states **Peter Suhayda**, CEO and company founder.

Editor's Note: Other emerging travel search engines include France's **TaZoo.com** and UK-based **Travelsupermarket.com**. ■