Net Value

Marketing Travel On The Internet

PCW reports

• PhoCusWright says that 80% of **Canada** consumers shop for travel primarily online and one-third of Canadian travel is booked online. The online market now accounts for US$8.2bn (at US$1 to C$1.04) of the US$24bn travel industry in Canada.

The total travel market in Canada fell 7% in 2009 (compared with 16% in the US), but online bookings fell less, by 2%.

(Data from PCW's Canadian Online Travel Overview.)

• PCW forecasts **Italy**'s online travel market will grow at 9% this year, outperforming the overall market. Air and rail traffic remain the main online sectors. Online penetration is low; PCW expects it to reach 20% in 2011.

(Data from PCW's Italian Online Travel Overview.)

• For the **US** this year, PhoCusWright forecasts 1% growth to US$291bn for the all-travel market but with online travel increasing 5% to US$90bn. It gave OTAs a 39% market share in 2008; *no estimates available for 2009.*

Data from ARC (Airlines Reporting Corporation) to Net Value shows 15% growth in online sales for ARC member travel agencies in January, 16% in February, and 14% in March.

• PCW says the main reason that US travellers give for **booking offline** is that they were seeking personal service.

Security concerns and technology issues - once a significant deterrent for online bookings - are no longer major factors. Only 7% of offline bookers say they do not want to submit credit card information online, and 7% do not feel the information they see online is accurate. Only 9% of those who book online cite technical issues or frustration with the internet as the reason.

(Data from PCW's Consumer Travel Report.)

Skyscanner reports

Findings from travel-search-engine Skyscanner:

• We have seen some questionable (ie needing clarification) findings from Skyscanner before. The problem appears to be that some results throw up questions that are not answered - because, understandably, that is not necessarily the role of SS, which is merely seeking publicity.

So it is with its findings for main searches for US travellers. The top-10 included no Canadian, Caribbean, or Latin American destination. We presume this indicates that SS's visitors have special characteristics - such as mid-market, east coast?

The top-10, in order (with change from 2009) are London (0); New York (0); Madrid (+9); Las Vegas (-1); Paris (+1); Los Angeles (-2); Rome (+3); Dublin (-3); Frankfurt (+5); San Francisco (-1).

• 'Secret Summer Spots' - depending on where the traveller is based, but these are primarily for a Eurocentric audience *(with our comments)*:

-Asturias, Spain.

-Kashmir, India. *Has been off track for 15 years because of terrorism, and we think still too soon for a return.*

-Bohinj, Slovenia. *Lake Bohinj is the destination's largest lake, in a national park in the west.*

-Lakeland, Finland. *The largest lake district in Europe.*

-Ilha de Tavira, Portugal. *Day-trip only, on the Algarve.*

Bites

• **Pegasus** Solutions shows a sizeable increase in ADS (alternative delivery systems) hotel bookings this year, see table.

Growth in average room rate, however, is still lagging actual bookings, and in regions except for Europe, ARR was still falling this year. Surprisingly, although Europe's economy is generally shown to be more sluggish than those other two regions, its ARR was increasing, albeit by only 2%.

Percent growth in Pegasus ADS hotel activity, Jan to

Region	May			Apr		
	Res	ARR	Rev	Res	ARR	Rev
North America	11.0	-5.7	2.5	11.8	-6.5	2.2
Europe	15.3	1.4	16.7	13.5	1.8	15.2
Asia Pacific*	23.7	-4.4	17.4	24.0	-5.9	16.3
World	11.7	-2.9	5.7	12.3	-3.9	5.3

Notes: ADS = alternative delivery system, ARR = average room rate, Res = net reservation, Rev = net revenue. *Includes Africa. Source: Pegasus.

• In a casual conversation - which it would not later deny or confirm - **Singapore** Tourism Board said it counted 300,000 visitors to its old website, and hopes its new site, YourSingapore.com, will attract at least 50% more.

The travel booking element on YS is handled by Singapore-based Wego - which also does similar work for the new Asean travel site, southeastasia.org.

• **Travelocity** said its unused ticket tracking and exchange tools helped customers use 84% of ticket values in 2009, worth US$11mn. One tool alerts travellers that an unused ticket is available and another allows travellers to make a change to their ticket online.

• In 2009, GDS operator **Amadeus** claims a 33% market share in Asia Pacific and 51% share of online travel agency bookings, with main gains in Australia, Hong Kong, Indonesia, and Malaysia.

However, despite claiming 'strong performance', it does not indicate growth over 2008.

• Grey-market OTA (online travel agency) Priceline has bought UK-based Travel Jigsaw, a car rental-only OTA.

Priceline may now become the dominant operator in this segment. It became the leading operator in online hotel sales by buying Active Hotels in 2004 and Bookings in 2005 (now part of Booking.com). Travel Jigsaw uses local car rental operators in 30 markets.

PhoCusWright believes Priceline may be larger in Europe than Expedia. In 2008, PCW gave Expedia a 30% share of Europe's OTA market and Priceline 27% share.

PCW says Europe's car rental market was worth US$12bn (€9bn) in 2009, with about 25% distributed online.

(Some information from PhoCusWright; comment by Net Value.)

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For more information, contact Raymonde Perpignani at Travel Business Analyst, TBAoffice@gmail.com
Editor: Murray Bailey. Design: Context Design & Publishing.