

HITWISE UK TRAVEL UPDATE: HOTELS

Hotels Make Gains Online from Search but Continue to Rely Heavily on Brand Searches

Tuesday 5th June, 2007

Hotel brands have made great efforts in the past two years to strengthen their online presence, and have made public commitments to offer the best price by booking on the hotel website. They have also stepped up their online marketing efforts and are in many cases competing directly with travel agencies.

Hitwise, the leader in online competitive intelligence, reveals that whilst Hotel websites are making gains from search engines, they continue to rely heavily on their brand for traffic. This Hitwise analysis was prepared using a custom category of the top 20 Hotel websites based on UK visits in April.

Travelodge, ICHotels Group and Premier Travel Inn dominate visits to Hotel websites, but smaller brands are gaining ground

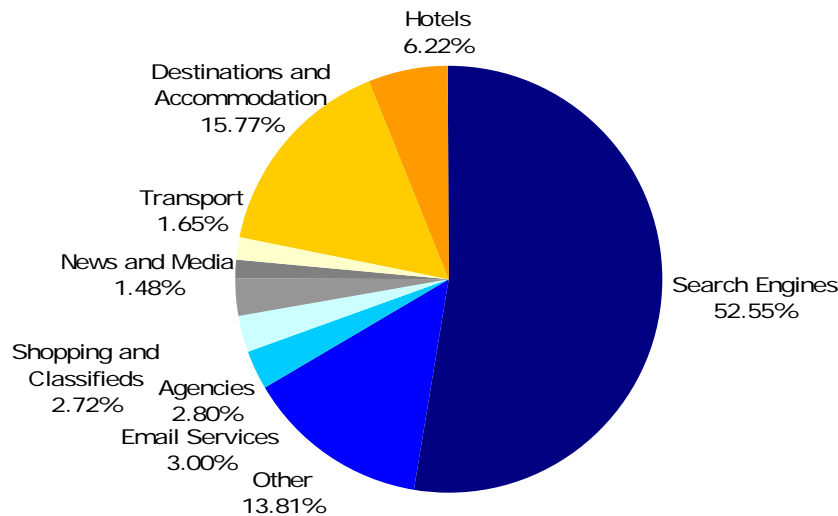
- Travelodge, ICHotels Group and Premier Travel Inn captured more than half (58.84%) of custom category visits during the month of April 2007.
- QHotels experienced the largest year on year increase in visits among the top 20 hotels websites, with visits up three-fold year on year to April 2007. The site ranked 20th among Hotel websites during April. The increase in visits is due largely to traffic from search engines, with upstream traffic from search engines increasing 17% over that same period.

Top 20 Hotels by market share of UK Internet visits, April 2007 (based on a custom category)

Rank	Name	Domain	Market Share	Session Duration
1	Travelodge UK	www.travelodge.co.uk	25.38%	06:35
2	InterContinental Hotels Group	www.ichotelsgroup.com	18.95%	08:47
3	Premier Travel Inn	www.premiertravelinn.com	14.51%	08:14
4	Hilton	www.hilton.co.uk	7.01%	07:15
5	Macdonald Hotels and Resorts	www.macdonaldhotels.co.uk	3.83%	05:46
6	Best Western Great Britain	www.bestwestern.co.uk	3.31%	06:08
7	Marriott UK & Ireland	www.marriott.co.uk	3.29%	06:23
8	Best Western International	www.bestwestern.com	3.15%	08:14
9	Accor Hotels	www.accorhotels.com	2.65%	08:18
10	Ibis Hotel	www.ibishotel.com	2.59%	09:10
11	De Vere Hotels	www.deveronline.co.uk	2.58%	06:57
12	Marriott International	www.marriott.com	2.31%	05:42
13	Hilton Hotels Online	www.hilton.com	1.84%	06:18
14	Thistle Hotels	www.thistlehotels.com	1.49%	04:41
15	Novotel	www.novotel.com	1.40%	07:33
16	Paramount Group of Hotels	www.paramount-hotels.co.uk	1.29%	07:33
17	SOL Melia Hotels	www.solmelia.com	1.28%	07:26
18	Logis de France	www.logis-de-france.fr	1.09%	13:07
19	JurysDoyle Hotels	www.jurysdoyle.com	1.05%	05:09
20	Q Hotels	www.qhotels.co.uk	0.98%	05:59

More than half of traffic to Hotel websites comes from search

- The Search Engines category accounted for 52.55% of visits to the Hotels category (custom) for the month of April 2007.
 - Traffic from search engines has increased year on year by 9.4%.
 - Yahoo! UK had the largest increase year on year of the top five search engines with 29% increase in visits to the Hotels category.
- 15.77% of traffic to the Hotels category came from websites within the Travel – Destinations and Accommodation category (which includes other hotel websites and agencies such as Active Hotels and Lastminute.com). Traffic from this category was up 15% year on year in April 2007. Upstream visits from websites in the Hotels custom category are also up, indicating that consumers are increasingly comparing offers among hotel and agency websites.
- Laterooms UK was the top upstream booking site to the Hotels custom category week ending 26th May with www.expedia.co.uk and www.activehotels.com second and third respectively. Traffic from Laterooms has increased year on year by 50%.



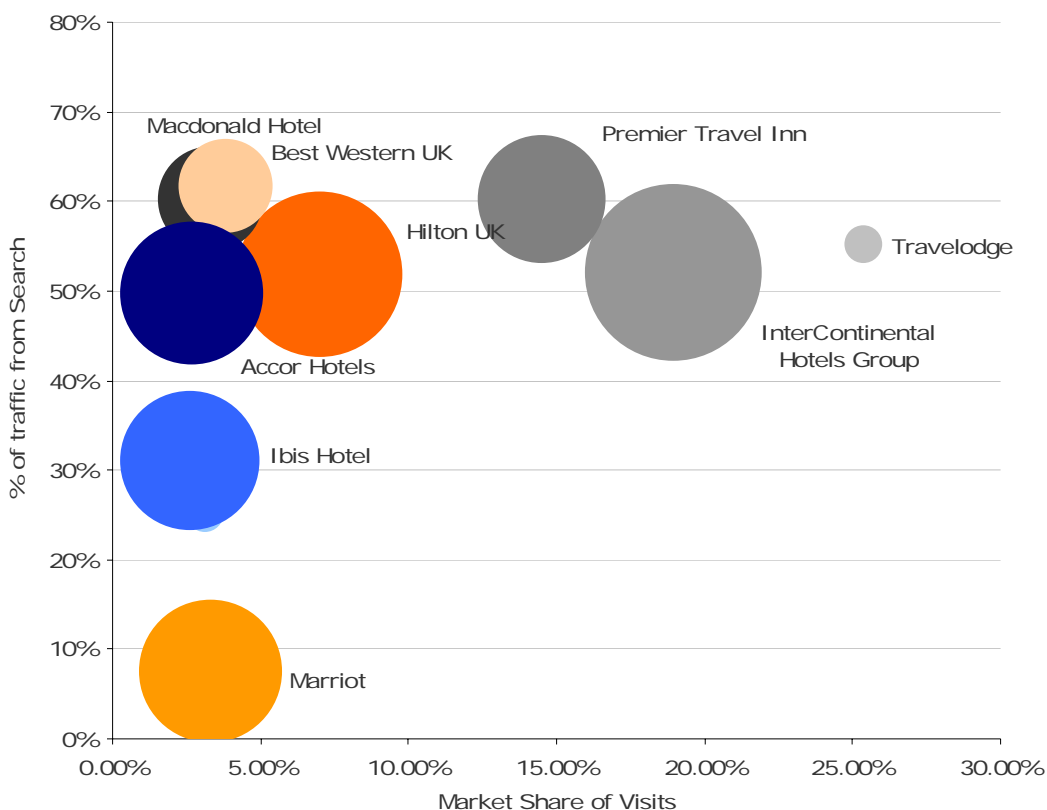
Hotel search traffic still brand dependent

- The number one search term accounting for 7.39% of search traffic to the Hotels custom category was "travel lodge".
- The term "hotels" was the only non-branded search term appearing in the top 50 search terms for the Hotels custom category during the four weeks ending 26th May. The term ranked 44 among the 10,498 unique search terms sending visits to the category.
- Hotel websites are heavily reliant on searches for their brand for traffic. An opportunity exists to target generic keywords, including location specific terms.

Some pay for their brand while others enjoy organic traffic

The following Paid Traffic Quadrant Analysis summarises the search strategy of the top 10 Hotels websites. The figure reports the share of visits from search on the vertical y-axis, the market share of UK Internet visits within the custom category on the x-axis and the bubble size represents the percentage of paid search traffic each site receives.

Paid Traffic Quadrants: Market Share of Visits, Traffic from Search and Paid Search Traffic for Hotel Websites



- Travelodge, the number one Hotel website receives the smallest amount of traffic from paid search, with 3% of search traffic coming from paid listings. This is far below the average for the top 10 Hotel websites of 28.9%.
 - Travelodge illustrates the importance of brand to visits for hotel websites. In the week to 26th May 2007, 56% of the site's traffic came from search, and 61% of this search traffic came from the top two variations of searches for the brand, "travel lodge" and "travelodge".
 - Travelodge has the strongest brand strength among Hotels with a larger volume of searches for the Travelodge brand than any brand in the Hotels category.
- Intercontinental Hotels Group received the largest share of its search traffic from paid listings among the top 10 Hotels websites, at 57%.
 - The top terms sending traffic to the website were brand names from the stable of IC Hotels brands.
 - IC Hotels may opt to bid on its various brands to secure more "real-estate" on the search engine results page. Also, by bidding on the brand, IC Hotels is able to control the ad copy and the landing page, perhaps making the ad more appealing.

About Hitwise

Hitwise is the leading online competitive intelligence service. Only Hitwise provides its 1,200 global clients with daily insights on how their customers interact with a broad range of competitive websites, and how their competitors use different tactics to attract online customers.

Since 1997, Hitwise has pioneered a unique, network-based approach to Internet measurement. Through relationships with ISPs around the world, Hitwise's patented methodology anonymously captures the online usage, search, and conversion behavior of 25 million Internet users. This unprecedented volume of Internet usage data is seamlessly integrated into our easy to use, web-based service, designed to help marketers better plan, implement, and report on a range of online marketing programs.

Hitwise is a privately held company headquartered in New York City and operates in the United States, United Kingdom, Australia, New Zealand, Hong Kong, and Singapore. More information about Hitwise is available at www.hitwise.com.

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