

New advertising technology delivers results for travel marketers: TripAdvisor's contextual links produce response rates 32x better than banner advertising

December 3, 2001--In response to the disappointing results from online travel banner advertisements, TripAdvisor today announced the release of its contextual-linking technology. Leveraging a proprietary software engine built exclusively for the travel industry, TripAdvisor's new travel specific advertising technology has shown impressive response rates of over 8% for online travel advertising (a 32X improvement over the usual .25% response rate of most online advertisements). Built around a cost-per-click (CPC) payment model, this marketing technology delivers on the long-promised goal of cost-effective online travel marketing.

"Our contextual-linking technology has been built from the ground up to deliver the highest relevance for online travel ads," said Stephen Kaufer, CEO of TripAdvisor, Inc. "In this manner, when a consumer searches for hotels in Phoenix, they don't just see a banner ad for a hotel chain but are served up a link to a specific hotel offer, complete with a price teaser - for example, Hyatt Regency Phoenix - 2 nights w/air from \$240 at Site59. A targeted, well-placed contextual link such as this will net a higher response rate."

Along with TripAdvisor, other sites like Google and Overture are also experiencing success with their highly targeted advertising capabilities. Like TripAdvisor, Overture utilizes a CPC model. While traditional banner advertising marketing dollars are spent in the hope of generating qualified leads, TripAdvisor's CPC pricing is a guarantee of qualified leads.

"One of the biggest promises of the Internet is the ultimate in targeting, but few have lived up to that promise. We are seeing glimmers of targeted messages to the right person at the right time and the right place. Marketers need to have the patience to go after the target that is most likely to buy," said Geoffrey Ramsey, CEO of Emarketer.

I'm Going to Phoenix, not Alaska!

"Who's interested in an ad for Alaska, when you're looking for a place to stay in Phoenix?" remarked Kaufer. "Ads need to be tied to the interest of the individual online, at that page, at that time."

Next-generation indexing technologies used on TripAdvisor deliver a "contextual link" for specific offers from hotels, attractions and other travel-specific categories which correlate to search terms (e.g., a hotel name) used by travelers. Once this link is clicked, the consumer is deep-linked to that offering with complete travel and booking details.

Matching travel product by categories such as location, accommodation, attraction and much more, TripAdvisor narrows the audience for marketers to produce micro-targeted, qualified leads at the moment of sale, and in context with the most relevant information on the place, destination, property or travel product. In addition to providing marketers with the most qualified leads, TripAdvisor's contextual-based pay-for-performance model is the most cost-effective way to reach audiences who research online.

"As a travel marketer, you should only pay for the leads that you get - and at TripAdvisor, we know that our leads are ideally qualified," said Langley Steinert, TripAdvisor's Chairman. "Impressions that may or may not deliver results won't cut it anymore given the challenging economic times now facing the travel industry."

Marketing Online Easily and Effectively

Creating the contextual links is easy. TripAdvisor automatically creates the teaser text and links for each advertiser, without any required involvement by the advertiser's IT department. Each link features unique text and is deep-linked directly to the informational and/or booking page for the specific product. While TripAdvisor's technology and staff do all the work, metrics and analysis, clients can target offers and enjoy the success that has been seen in offline merchandising practices.

"Our relationship with TripAdvisor has led to an increase in bookings," said Kathleen Drohan, vice president of marketing for www.Site59.com, a last-minute travel website.

TripAdvisor provides targeted access to legitimate customers with an accountable pay-per-click business model. This same success formula that's based on affordability and measurability is used by companies such as Proctor & Gamble and Orbitz, and by well known pay-for-performance networks such as Overture, Value Click, Inc. and Commission Junction.

The New Champion: Contextual Commerce Eclipses Banner Ads

"Marketers can be part of the 99.7% of banner ads that don't get clicked on, or they can reap the benefits of contextual commerce as tough times call for more focused ROI," said Steinert.

According to Emarketer, less than 1% of all banner ads get clicked on. Click-through rates on TripAdvisor, however, range from 4% to 12%, depending on how contextual the product offering is. For instance, on pages that are about specific hotel properties, the click-through rate averages over 10%, as the product offerings are usually specific to that property. Other pages, in which the product offerings are related to the overall destination, but not a specific hotel or attraction, are in the 5% range. Overall click-through rates on TripAdvisor average 8%, a 32X improvement over the standard banner response rate of .25%.

<https://tripadvisor.mediaroom.com/2001-12-03-New-advertising-technology-delivers-results-for-travel-marketers-TripAdvisors-contextual-links-produce-response-rates-32x-better-than-banner-advertising>