

Making sense of the new metasearch opportunity

With the leading travel players investing significantly in metasearch technology over the past year, the online hotel metasearch space is changing. Tracie Carillo, Head of Hospitality Sales at Travelport, explores how online travel agencies (OTAs) can make sense of the new environment – and benefit from the opportunities it brings.



By Tracie Carillo
Head of Hospitality
Sales, Travelport

In recent months, the online travel industry has sent a clear message: metasearch matters. Heavyweight OTAs are spending on metasearch, with Priceline® buying KAYAK, and Expedia® investing in both Trivago™ and Room 77. And traveler review site TripAdvisor® has launched a successful hotel metasearch function, as well as winning a deal that pushes these hotel search results up front on Bing.®

And there's sure to be more activity to come. Many in the industry are watching Google Search in particular, anticipating a new and potentially game-changing incarnation of the search engine's own Hotel Finder metasearch platform.

So with hotel metasearch developing fast, how do you decide where, or if, metasearch fits into your business plans?

The key to any decision will be considering how well your business model will sit in the metasearch environment, and within your

wider customer acquisition strategies, such as Search Engine Optimization (SEO) and Pay Per Click (PPC). Because metasearch is a numbers game, the auction-based cost-per-click (CPC) model may make it a natural fit for a business that works on high volume, low average booking value (ABV).

But it's a far less attractive model for OTAs targeting niche customers and a higher ABV. For any particular search, you have to be in a position to offer competitive pricing with a margin that fits your business.

Also, it's crucial to review the search behavior of your target customer. Price isn't always the starting point for a search. Diverting valuable budget to price-led metasearch may be counter-productive if the people who are most likely to give you profitable business are seeking a bespoke offering.

Another important factor when considering metasearch is that it can be hard to differentiate your brand. With sites typically

showing only brand and price in the first results screen, it's the trusted OTAs and hotels that will inevitably get the most clicks. The reality is that if your brand isn't well-known you might struggle, even when your prices are competitive.

If your agency offers specialist travel solutions, you might find the best option proves to be one of the emerging niche metasearch sites. With these, you're more likely to get a better return on investment and strengthen brand awareness among your target customers. We're already seeing budget and luxury-specific aggregators emerging, such as dealchecker and Find A Hotel™, and it's likely that more will appear in the future. You could even create your own.

When assessing the potential of metasearch for your business, it's worth remembering that winning the first click within a metasearch site is just the beginning. Conversion is what counts. Note that where customers can book within the metasearch site itself, as on Kayak, you may have little or no opportunity to influence conversion. But whenever you do get the customer to your own website, it's down to you to make the most of the opportunity.

You should look at every point in the customer journey, starting with any opportunities to add information on the metasearch site itself, and going right through to checkout. Make sure you remove any potential pain points in the purchase path, and provide content that will help your target customer – and encourage them to take the next step.

Whatever your decision about metasearch CPC at this point, it's worth reviewing the situation on an on-going basis. The technology is evolving fast, and new models and opportunities will arise. With so many options for spending sales budgets, success relies on understanding two key issues: first, where you'll find the best return on investment for your agency now, and second, which routes will deliver the sustainable business model that will take your brand into the future.

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