



WhatRunsWhere Insights & Analysis:

**Comparitive Travel Sites
Advertising Landscape**

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Executive Summary

This report was commissioned to highlight a specific advertising niche, namely the online comparative travel site industry. Its purpose is to review and compare the online advertising landscape of four key advertisers in the industry and present a comprehensive report regarding their display media buying strategies across desktop, mobile-web, and in-app.

The study investigates the advertising strategies of the following advertisers: Expedia, Priceline, Trivago and Hipmunk. These advertisers were chosen to enable research regarding changes in ad placement strategies between already well-established competitors in the industry – Expedia and Priceline – with the strategies of more recently established companies including Trivago and Hipmunk.

By exploring the type of ads these industry leaders utilise and where these ads are being placed, readers will have a better understanding of how to establish an effective media buying strategy that will lead to more successful online advertising campaigns, and increased return-on-investment (ROI).

The research draws attention to the following:

- On desktop well-established industry leaders Expedia and Priceline hold a significant Share of Voice amongst the advertisers reviewed; however, by initiating a massive influx of creatives, competing advertisers can carve out a sizeable Share of Voice was demonstrated by Trivago
- Expedia and Priceline may be major players on desktop and to a certain extent on the mobile-web space, but newer companies, including Trivago and Hipmunk, are able to challenge previously established competitors by taking advantage of the in-app space that has significantly fewer competing advertisers
- The Google Display Network may be the best ad network for placements by advertisers, like Trivago, that are attempting to reach a wider audience in a new geographic market

Recommendation:

For advertisers in the competitive travel site industry as well as those more broadly involved in the travel and vacation industry, use of a large number and variety of creatives in combination with the Google Display Network as well as expansion into the in-app space may potentially yield the best ROI.

Introduction

We may be entering into the final month of summer but vacation and getaways continue to be on many people's mind. Many consumers prepare to squeeze in final family trips late this month just before the kids go back to school, while others may even begin to plan ahead for Christmas trips. Either way, everyone is looking for great travel deals now making August an especially hot month for advertisers in the travel and vacation industry.

Considering the common spike in advertisements for cruises, hotels and flights placed in the summer months, WhatRunsWhere has chosen to investigate the online advertising strategies of four major online comparison travel sites: Expedia, Priceline, Trivago and Hipmunk.

By exploring the type of ads these industry leaders are utilising, and where these ads are being placed we will have a better understanding of how to establish an effective media buying strategy that will lead to more successful online advertising campaigns, and increased ROI.

Competitor Profile

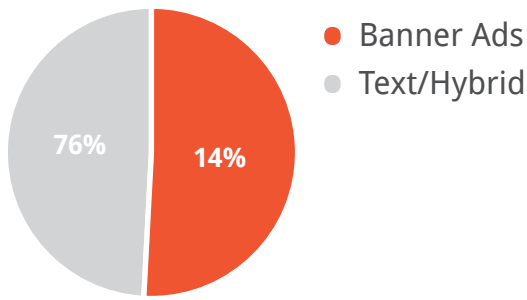
Company	Founders	Date Founded	Headquarters
Expedia	Division of Microsoft	1996, 1999 (online)	Bellevue, USA
Priceline	Jay S. Walker, Founder Darren Huston, CEO	1997 1998 (online)	Norwalk, USA
Trivago	Rolf Schrömgens, Co-Founder Malte Siewert, Co-Founder	2005 (subsidiary of Expedia Inc. 2012)	Düsseldorf, Germany
Hipmunk	Adam Goldstein, Co-Founder Steve Huffman, Co-Founder	2010	San Francisco, USA

Desktop

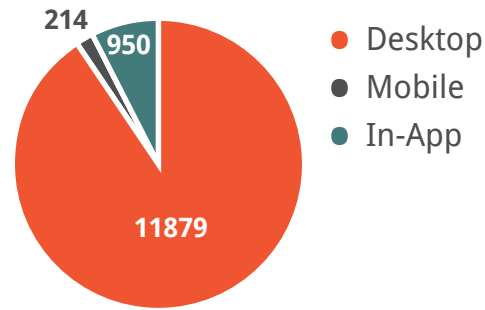
Having collected data spanning 180 days of activity up until August 5th, 2014 in the United States, we have successfully tracked 1,366 unique ads on over 13,000 publishers across desktop, mobile and in-app platforms (Figure 3).¹ Overall, advertisers employed more banner ads (693) than text ads (673), but the difference is only 2% indicating that though image based ads are important to visually stimulate and entice consumers, text ads are almost equally as significant to rapidly reach wider audiences in this industry (Figure 1, Figure 2).

¹ Due to limited data regarding Hipmunk's placements on mobile, and regarding Priceline's in-app placements within the past 180 days period, the timeframe used to extract data for these advertisers was expanded to 274 days and 365 days, respectively. Similarly, as Trivago's mobile and in-app activity only goes back 111 days the data for this advertiser is limited to 111 days. Unless otherwise specified, all data encompasses 180 days of activity up until August 5th, 2014.

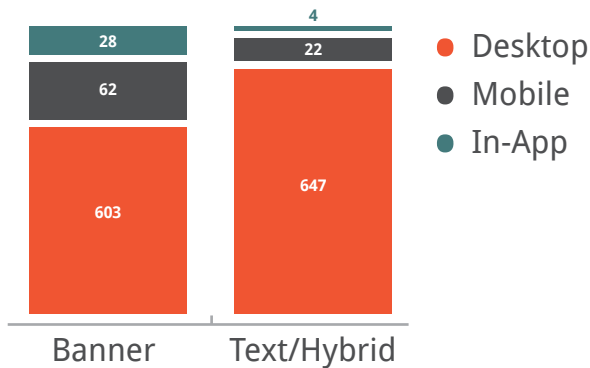
Total Creatives (Fig. 1)



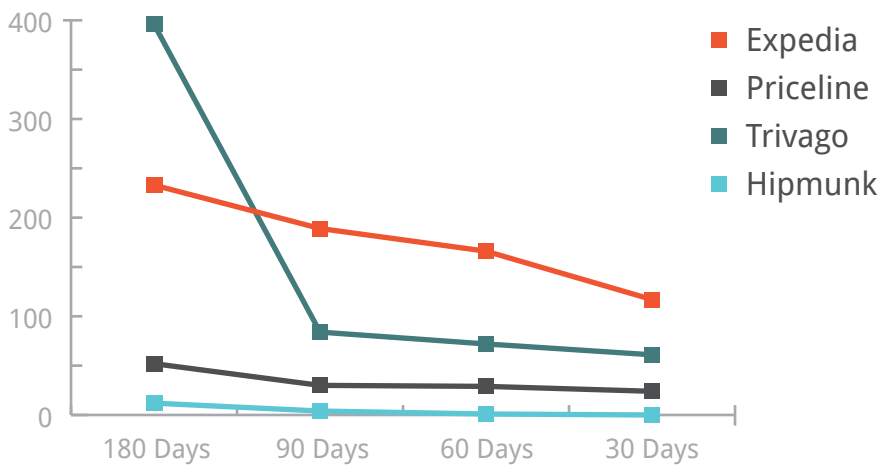
Total Publishers Tracked (Fig. 2)



Total Creatives Breakdown (Fig. 3)



Total Creatives Breakdown (Fig. 4)



Priceline and Hipmunk placed the fewest number of creatives overall (52 and 12, respectively) with little change in terms of strategically reducing the number of creatives they employ and removing the least effective creatives (Figure 4).

Trivago employed the highest number of creatives overall (396) but 90 days into their campaign this number was drastically reduced to 84, and within the past 30 days they have narrowed down the number of unique creatives to 61.

Expedia used the next highest number of unique creatives overall (233) although they steadily reduced this number to 117 unique creatives in the past 30 days.

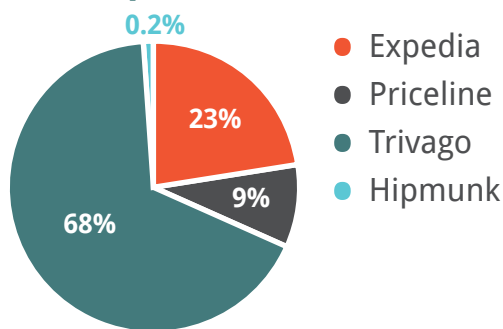
Evidently, Expedia and Trivago – both of which are divisions of travel conglomerate Expedia Inc. – appear most active in tracking the effectiveness of their creatives. The most recently established company among these four, Hipmunk, also appears to be least active in tracking and boosting or reducing its creatives.

Share of Voice

Share of Voice (SOV) is a value given to each company derived from its presence across its industry specific competitive display advertising landscape. The higher the Share of Voice value, the "louder" the advertiser's "voice" is among competitors in the same industry, as determined by the parameters of the search.

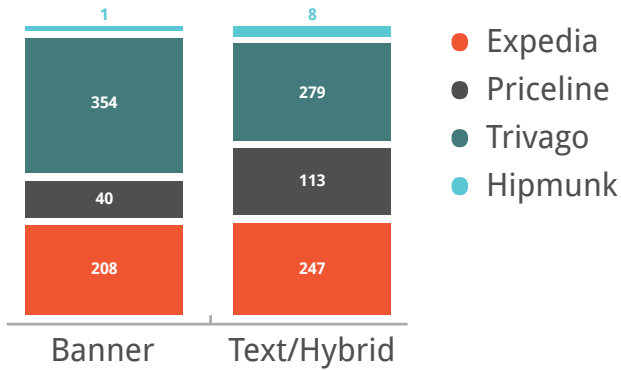
Among the four advertisers examined in this study, research reveals that Trivago possesses the largest SOV (68%), followed by Expedia (23%), then Priceline (9%) and Hipmunk (less than 1%) (Figure 5).

Desktop SOV (Fig. 5)

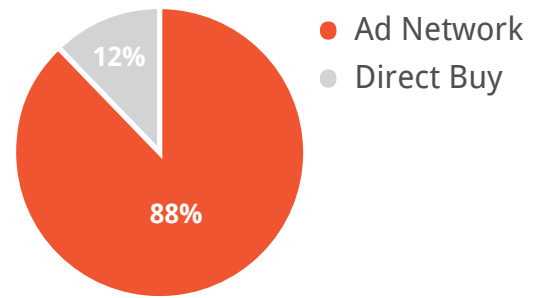


Reflecting the SOV standings Trivago, the leading SOV holder, also employed the highest number of banner (354) and text (279) creatives (Figure 6). Expedia placed the second highest number of banner (208) and text (247) creatives.

Creatives Breakdown by Advertiser (Fig. 6)



Channel Mix (Fig. 7)



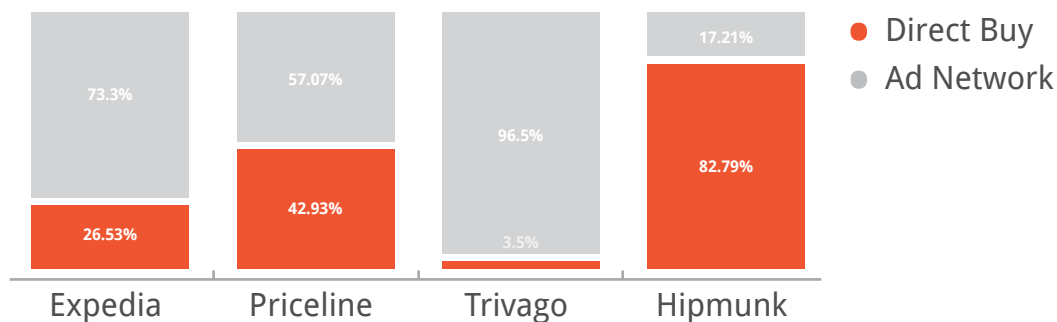
Channel Mix

Analysis of these advertisers’ channel mix determines that their display media buying strategies favour the use of ad networks over direct buys: 88% of ads were placed through networks and 12% through direct buys (Figure 7). The bulk of network placements (87%) were made through the GDN (Figure 9).

How did they place it?

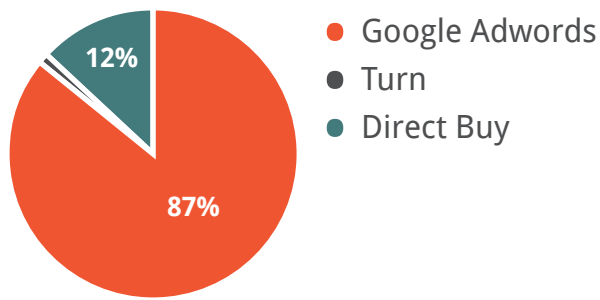
- Expedia: 73.3% network placements vs. 26.53% direct buys
- Priceline: 57.07% network placements vs. 42.93% direct buys
- Trivago: 96.5% network placements vs. 3.5% direct buys
- Hipmunk: 17.21% network placements vs. 82.79% direct buys

Channel Mix Breakdown (Fig. 8)



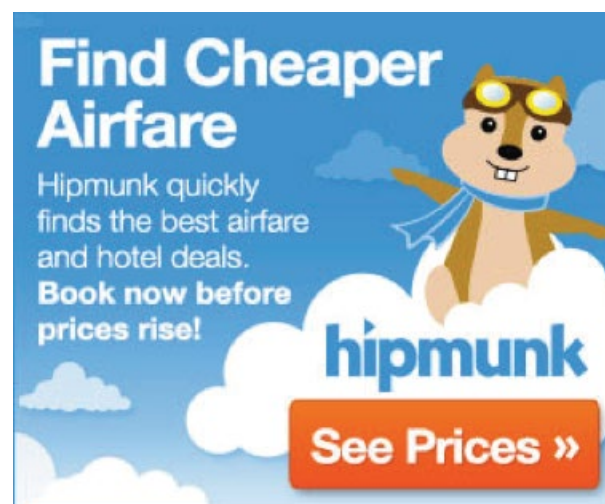
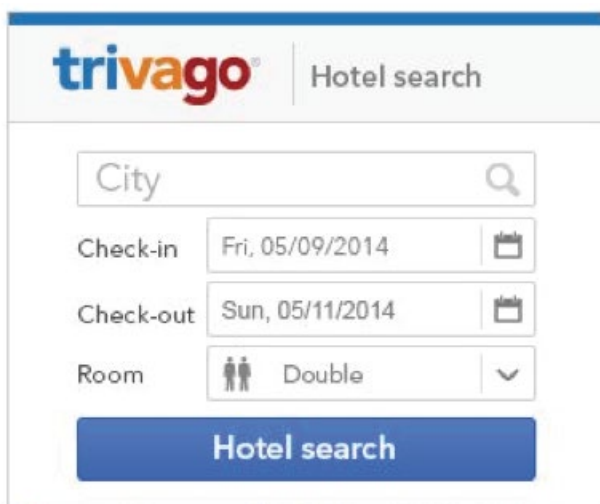
When we compare the channel mix breakdown of these advertisers with their desktop SOV sizes, it becomes clear that Hipmunk’s overuse of direct media buys may not be resulting in success considering their comparatively insignificant SOV size of less than 1%.

Display Placement Breakdown (Fig. 9)



Top Performing Ads

The following is a selection of top performing desktop ads placed in the United States by the aforementioned industry leaders.



Hotel Price Comparison

trivago? Save Up To 78% on Hotels. Compare over 180 Booking Sites!
trivago.com/Hotel-PriceComparison

Text Ad - Google Adwords
 AdStrength™: 87511 - 2014-08-04

Take a Tour of Hong Kong

Plan Your Trip Today and Save Expedia has the Best Rates Online!
Expedia.com/Hong-Kong

Text Ad - Google Adwords
 AdStrength™: 173724 - 2014-06-26

Priceline Cheap Hotels

Best Price Guarantee on All Hotels. Book Online Today.
www.priceline.com/Hotels

Text Ad - Google Adwords
 AdStrength™: 133671 - 2014-03-04

Compare Rates on Hipmunk

Search hundreds of travel options in one place. Book on Hipmunk Now!
Hipmunk.com

Text Ad - Google Adwords
 AdStrength™: 153 - 2014-08-04

What do these top creative have in common?

Images:

- Large iconic mascot is located in the foreground – welcoming and directly addressing audience located in the corner
- Identifying logos/company names are located in corner spaces against a single coloured background
- Use of travel related images: clouds, tropical destination etc.

Text:

- Large and graphic
- Invitations are to the point
- Contrasting and eye catching colours

Interactive

- Visible and accessible CTA button

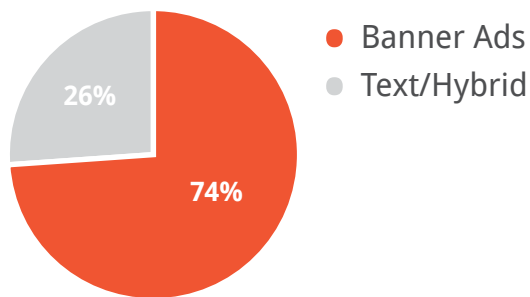
Mobile

Share of Voice

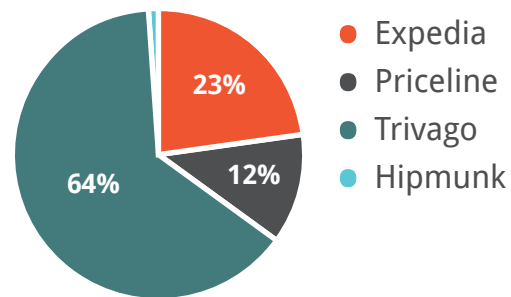
On the mobile-web space Trivago continues to be the leading SOV holder (64%). Expedia holds the next largest SOV (23%) and Priceline follows (12%), while Hipmunk once again comes last with a SOV of less than 1% (Figure 11).

Though on mobile-web it is often assumed that advertisers generally use text ads to enable increased loading speeds and augment the quality of user experiences, surprisingly 74% of creatives placed on mobile web among these advertisers were image based while 26% were text or hybrids (Figure 10). Trivago continues to be the SOV leader and the majority, if not all, of text based creatives were placed by this advertiser (Figure 12).

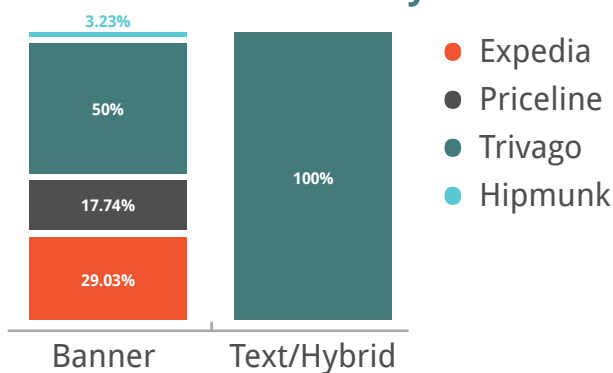
Creatives Breakdown (Fig. 10)



Mobile SOV (Fig. 11)



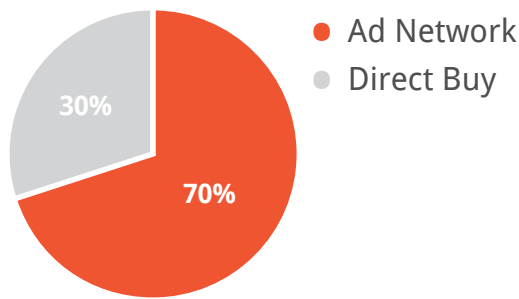
Creatives Breakdown by Advertiser (Fig. 12)



Channel Mix

Within the 180 day period of tracked data, the majority of placements (70%) were made through ad networks whereas direct media buys comprised only 30% of all placements (Figure 13).

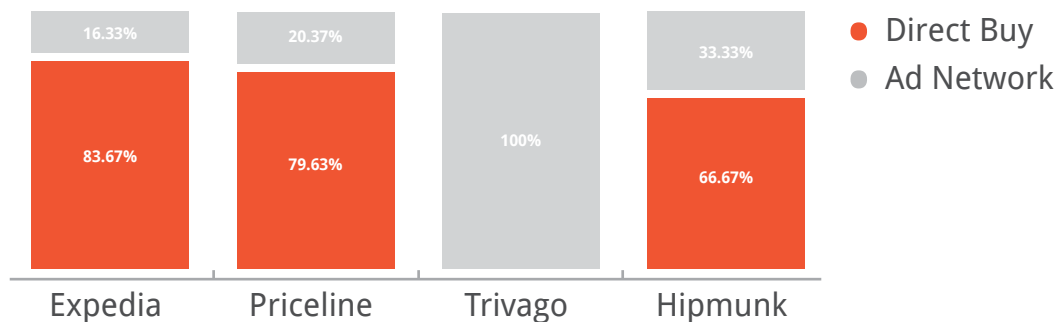
Channel Mix (Fig. 13)



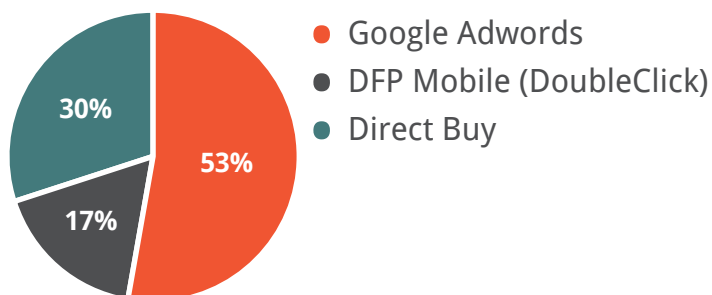
How did they place it?

- Expedia: 16.33% network placements vs. 83.67% direct buys
- Priceline: 20.37% network placements vs. 79.63% direct buys
- Trivago: 100% network placements vs. 0% direct buys
- Hipmunk: 66.67% network placements vs. 33.33% direct buys

Channel Mix Breakdown (Fig. 14)



Mobile Placement Breakdown (Fig. 15)



Unlike on desktop, the majority of advertisers chose direct buys to complete their media placements on mobile-web.

Although when advertisers completed ad placements through networks for desktop display the GDN was preferred, on mobile there is a somewhat more diverse media buying mix. Indeed the GDN once again was used for a large majority of placements (53%) but 17% of all ad network placements were also made through DFP Mobile (DoubleClick) (Figure 15).

Top Performing Ads

The following is a selection of top performing mobile ads placed in the United States by the aforementioned industry leaders.



Cheap Hotels, Up To -78%

trivago? Save Up To -78% on Hotels. Compare over 180 Booking Sites!
trivago.com/Hotels-Cheap

Text Ad - AdMob
 AdStrength™: 187 - 2014-08-04

What do these top creative have in common?

Images:

- Iconic mascot is readily visible
- Identifying logos/company names are located in corner space
- Image banners for quick loading

Text:

- Large and graphic
- Succinct
- Contrasting and eye catching colours

Interactive

- Visible and accessible CTA button

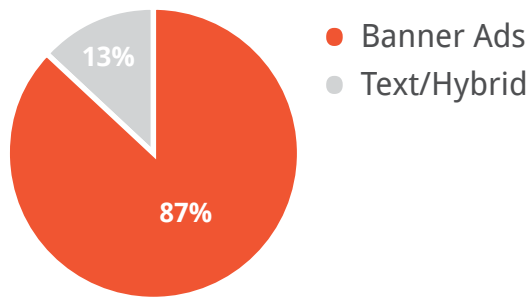
In-App

The fact that the app world is still quite new presents a plethora of opportunities to advertisers looking to place in-app advertisements. The four advertisers found in this study all have detectable in-app advertising presence on the android space as well as functioning apps offered through the Google Play Store (and in some cases the Apple App Store as well).

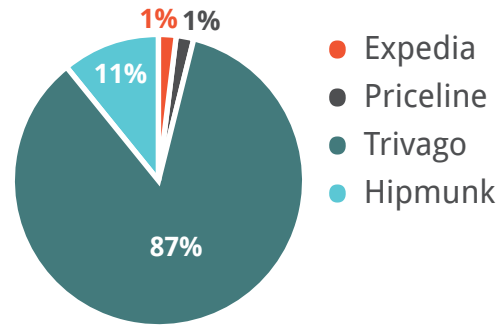
Once again Trivago is the SOV leader with a massive in-app SOV of 87%. But unlike the pattern found on desktop and mobile-web, when it comes to in-app SOV the trendier and newer competitor, Hipmunk, follows with the next largest SOV (11%). In contrast the industry leaders Expedia and Priceline, which are the two largest names in competitive travel sites, each possess an in-app SOV of only 1% (Figure 17).

This information suggests that Hipmunk and Trivago, the more up-and-coming competitive travel sites, are taking advantage of the lack of competition from the larger advertisers in the in-app space.

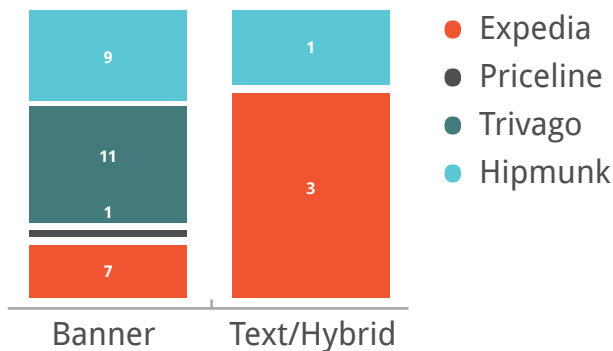
Creatives Breakdown (Fig. 16)



In-App SOV (Fig. 17)



Creatives Breakdown by Advertiser (Fig. 18)

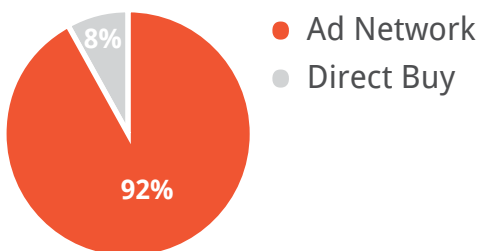


Channel Mix

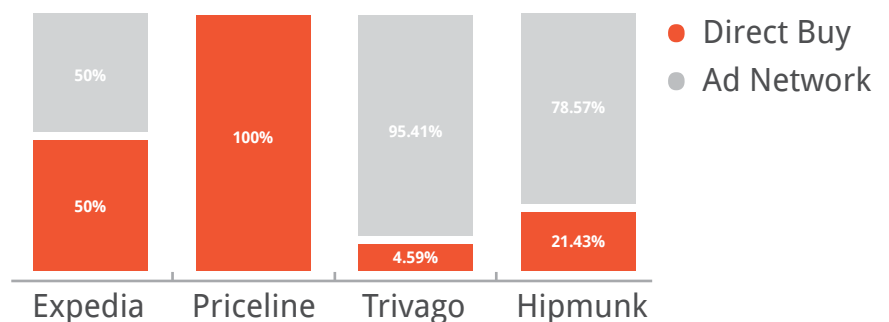
In contrast to mobile-web, the in-app channel mix breakdown is much less diverse. The majority of all media buys were made through ad networks (92%) with very few media buys made directly (8%) (Figure 19).

Here, Trivago maintained the same media buying strategy by using ad networks (95.41%) to complete its media placements. Expedia employed networks and direct buys at a 1:1 ratio, while Priceline made 100% of its media buys directly (Figure 20).

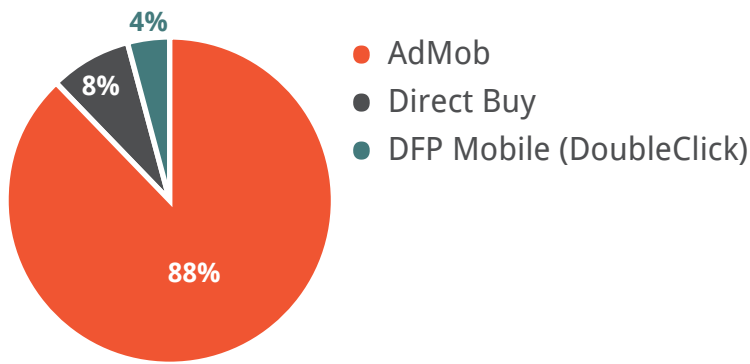
Channel Mix (Fig. 19)



Channel Mix Breakdown (Fig. 20)

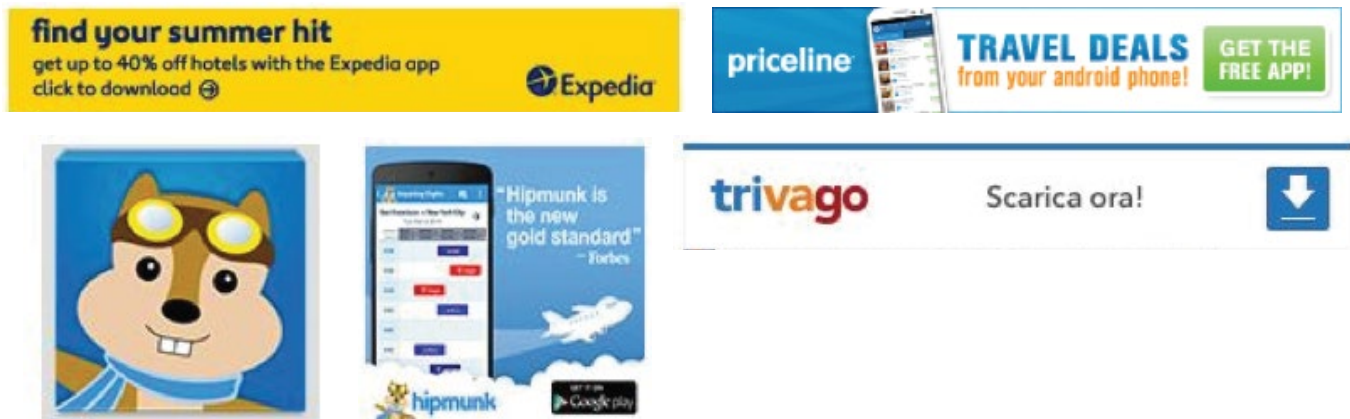


Display Placement Breakdown (Fig. 21)

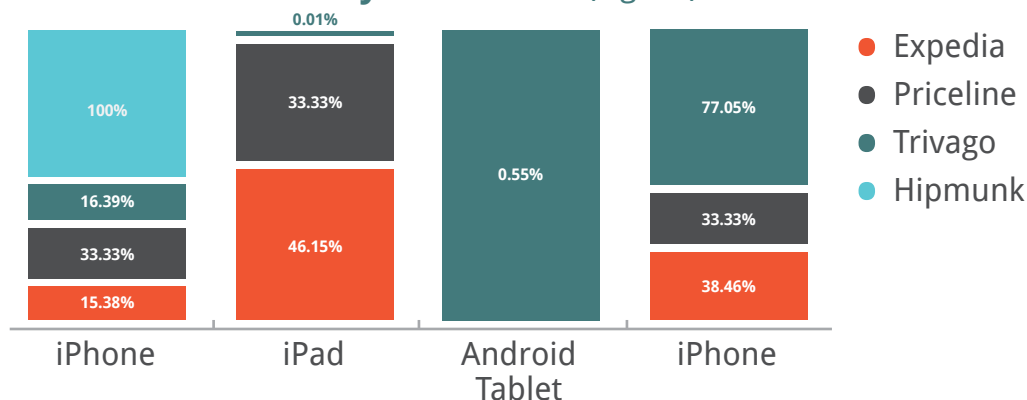


Top Performing Ads

The following is a selection of top performing in-app ads placed in the United States by the aforementioned industry leaders.



Device Breakdown by Advertiser (Fig. 22)



Conclusion

When it comes to comparative travel sites, competition is stiff and making well informed ad placements are a major challenge.

The larger and already well-established travel sites, Expedia and Priceline, focus the majority of their media placements on desktop and then on mobile; whereas the newer competitors, Hipmunk and Trivago have shifted attention to in-app advertising. This is likely a strategic manoeuvre to annex the space that has yet to be monopolized by larger competitors.

It is difficult to say precisely which advertiser found the most success with their campaigns. However, we can suggest that Trivago has been particularly successful considering its large SOV on all three platforms. Trivago's hyper online advertising activity which parallels its considerable employment of television ads, may be a result of its more recent expansion into the North American market. Its aggressive use of creatives in the past 180 days is likely an attempt to capture a larger North American SOV – something that Hipmunk, as the newest player on this stage, may have failed to do.

In considering the online advertising landscape for Expedia, Priceline, Trivago and Hipmunk, WhatRunsWhere has shown that not only have competitors already begun to take advantage of the mobile web space, but also that they are quickly expanding into the in-app space.

With fewer competing advertisers making in-app placements than on all other platforms, this offers new opportunities for other competing advertisers to diversify their ad placement strategies by vigorously spreading into the in-app space. This appears to be the strategy that Hipmunk is taking.

However, this opportunity must be taken early on with large numbers of creatives employed since advertisers like Trivago are quickly beginning to dominate the in-app advertising landscape in the comparative travel sites industry.