

# TRAVELTRENDS™

Monthly travel insights from Compete

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## EXPEDIA 10<sup>th</sup> ANNIVERSARY A HIT WITH CONSUMERS

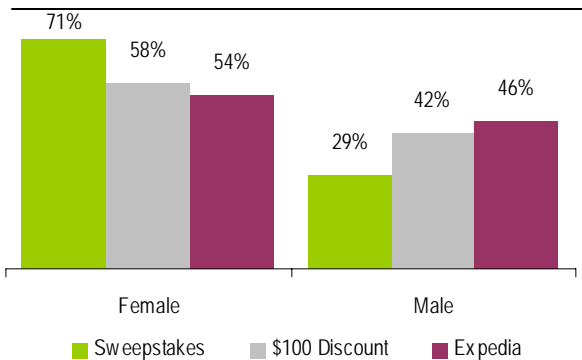
On August 15<sup>th</sup> Expedia.com launched a major online promotional event. The ten week, 10<sup>th</sup> Anniversary themed campaign was significantly larger in scope than a typical online travel promotion, making it worthy of attention from other travel marketers. Are large-scale promotional events effective, and will they become a new trend in online travel distribution? Despite its use of an inefficient sweepstakes approach, Expedia's initiative illustrates that the model can be successful in driving heavy prospect activity and incremental package sales.

Compete investigated the effectiveness of the now-concluded promotion, which consisted of two components: 1) a \$100 discount on select vacation packages, and 2) a sweepstakes giving consumers the opportunity to win both travel and non-travel prizes.

Expedia found no shortage of interest in its campaign. In the promotion's first month, 750,000 consumers went to the \$100 discount pages on Expedia.com and 930,000 were drawn to the sweepstakes component at ExpediaGiveaway.com. However, with a \$100 discount compelling enough for most consumers, the sweepstakes appears to have been an unnecessary add-on that attracted the wrong audience. Expedia's typical prospects are near-evenly split between males and females, yet the sweepstakes offer drew an audience overwhelmingly weighted towards females, many of which coming from online deal sites such as MyPoints and Eprize. Few were actually in-market for booking travel, making it difficult for Expedia to effectively channel consumers from the

### Promotion Viewers - Gender Segmentation

% makeup of male and female users (during promotional period)

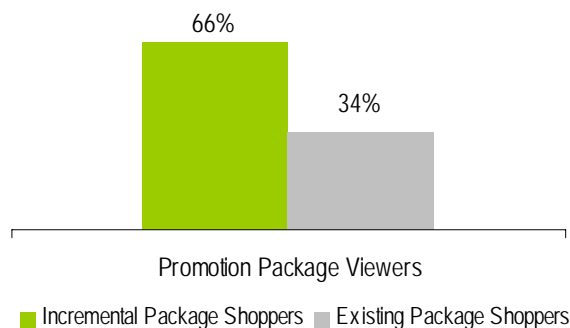


custom-developed sweepstakes site over to booking-related vacation package content.

The Expedia 10<sup>th</sup> Anniversary promotion's greatest success was in using the \$100 discount to drive incremental package shoppers – not just offer a sale to consumers who were already in-market. Two-thirds of all promotion-driven vacation package shoppers were new, with no previous package shopping activity (the remaining third had already been looking for packages either at Expedia, other OTAs, or at vacation packager specialty sites). With the right offer and the right timing, Expedia's 10<sup>th</sup> anniversary event was more than just a cannibalization of bookings that were already in waiting among Expedia shoppers.

### Promotional Shopper Profile

% of promotional package shoppers previously in-market



The takeaway is that large-scale travel offers can be effective; Expedia's experience demonstrated that consumers will respond and incremental sales can be driven. While the sweepstakes component of Expedia's campaign attracted a somewhat misguided audience, the \$100 discount offer was an effective model that should be emulated by other marketers heading into 2007.

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