

# DISPLAY REMARKETING

Turning Website Traffic into Sustainable, Incremental Revenue

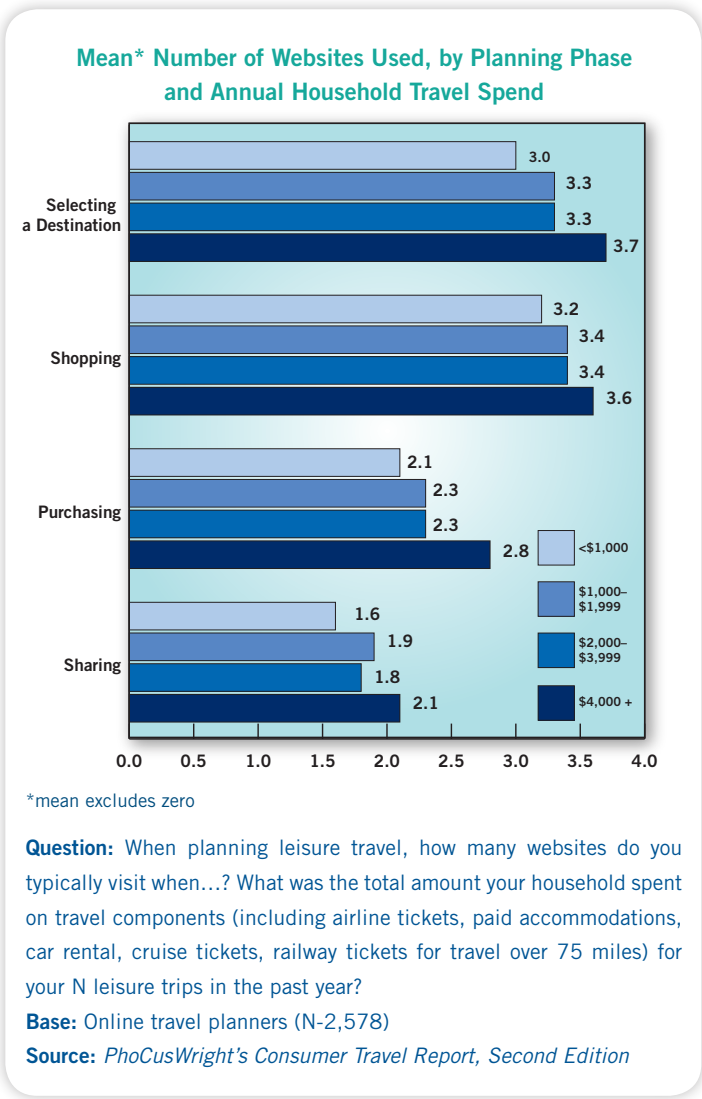
THE BOOMERANG REPORT

## ONLINE TRAVEL SHOPPING

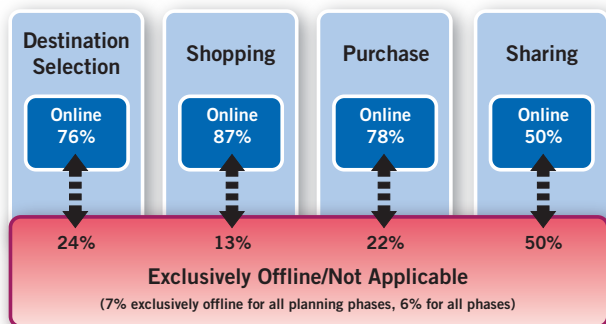
The travel planning process includes multiple stages, each with its own dynamics of online usage. The phase in which consumers most often turn to the Internet is during the shopping phase (87%, according to PhoCusWright). This should come as no surprise as this is the stage when consumers are scouring the Internet to find options, compare deals and ultimately, make decisions.

On average, travelers typically use 3.4 websites when shopping for travel. But, if we correlate the number of websites used with household spend during the various phases, the mean number of websites continues to rise with spend. According to PhoCusWright, the higher the spend, the more information sources are consulted. Higher-spend travelers not only visit more individual websites, but they also visit more site categories.

During the travel planning process, advertisers want their messages to stay fresh. This can be difficult as shoppers navigate from site to site – but, by implementing display remarketing in your online strategy, you can re-message consumers who have already visited your site, and drive them back for conversion.



### Internet Usage for Destination Selection, Shopping, Purchase and Sharing (Typical Behavior)



**Question:** When traveling for leisure, how many websites, if any, do you typically visit when doing the following: (a) Selecting a destination (b) Comparing and choosing travel products, such as airline tickets or hotel (c) Booking travel products (d) Sharing information, photos and videos from your trips. Percentages reflect responses of one website or more.

**Base:** U.S. travelers (N-2,755)

**Source:** PhoCusWright's Consumer Travel Report, Second Edition

## REACHING TRAVEL SHOPPERS

A March 2010 comScore study showed that consumers are 49 percent more likely to visit an advertiser's site if they have previously been exposed to its ads. Display remarketing at its most basic level allows hoteliers to get in front of shoppers who have already shown interest in their hotel by finding them as they browse the Web and showing them ads for the hotel they initially visited.

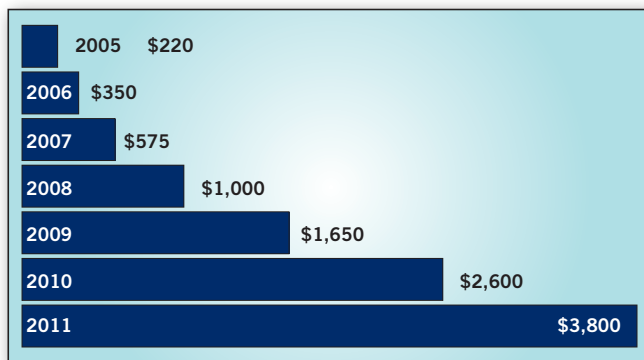
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To avoid wasted impressions and missed revenue opportunities, marketers are turning to display remarketing. Display remarketing generates more than twice the conversion rates of traditional run-of-network online advertising. And as such, marketers are embracing and budgeting for it. In fact, according to eMarketer, spending on this type of online advertising will increase to \$4.4 billion by 2012, up from about 1.7 billion last year, then jump significantly in 2011 (to \$3.8 billion) and again in 2012.

US Behaviorally Targeted Online Advertising Spending, 2005-2011 (millions)



**Note:** Behaviorally targeted advertising is displayed to a selective audience whose interests or intentions are revealed by website tracking data. It does not include advertising that is targeted using adware installed on individuals' computers.

**Source:** eMarketer

## WHAT THIS MEANS FOR HOTEL SHOPPERS

Consider what happens when consumers visit several websites looking for a hotel stay. If they don't key into something specific that differentiates your hotel from another – prompting an immediate booking – they may postpone the decision or forget about it altogether. If your online strategy includes display remarketing, you can keep your message in front of shoppers no matter when or where they go online. It helps ensure they come back to your site to book once they complete the research phase.

Display remarketing makes sure you are not leaving any revenue on the table by targeting custom advertising messages to users who have expressed a direct interest in your properties. As they exit your

site (without completing your desired action) and begin to browse the Internet, our systems recognize their electronic footprint and serve them your ad – driving them directly back to your site to convert. Display remarketing can be applied to leads generated by alternative media as well (i.e., search and email) – thus holistically maximizing the effectiveness of your ad spend.

## MYTHS VERSUS REALITY

With display remarketing, like any marketing channel, there are risks and rewards to consider.

### Debunking the Myths

- 1. Privacy.** Display remarketing is still – after all these years of establishing itself as a proven, successful advertising channel – considered risky due to privacy concerns. Realistically, marketers who avoid remarketing due to privacy fears risk walking away from truly qualified conversion prospects. Privacy is certainly important and at the forefront of anyone playing in the online marketing space. Due to that fact, marketers should openly embrace display remarketing. The Interactive Advertising Bureau (IAB) and National Advertisers Initiative (NAI) have taken every step necessary to ensure no marketing medium ever sees, captures, or leverages a consumer's personally identifiable information (PII). All display remarketing is done anonymously, as the data being captured that influences the ad-serving decision truly has nothing to do with PII.
- 2. Performance.** When considering display remarketing, the instinct is to immediately assume fewer clicks will translate into less or lost revenue. But the exact opposite is true. The comScore study proves that, "display advertising, despite a lack of clicks, can have a significant positive impact on consumer behavior." In short, the clicks that are coming through are nearly 50% more likely to convert. Ads are only being shown to users who express an interest, which means fewer wasted impressions, higher-quality clicks, and significantly increased conversions.
- 3. Reach.** The size of your potential audience is the make-it-or-break-it factor when it comes to display remarketing. In order to see the boost in ROI you are seeking, you have to show your ads to the highest number of interested users. And if you don't have the right reach, you simply can't achieve your goals. This is also easily combated. First, you have to generate website traffic.

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So in addition to display remarketing, you should be investing in a search and display advertising strategy. Build brand awareness and drive traffic to your site – and then display remarketing can be leveraged to convert that traffic. There is also a valid fear that segments of consumers may be targeted too well – making targeted groups too small for sufficient reach. This, too, has an easy fix. Just make sure you are using a vendor who either has or leverages a massive third-party display advertising network. This ensures that no matter how niche your audience is – you can reach (and convert) them with scale.

## Understanding the Rewards

- 1. Efficiency.** In short, display remarketing is likely the most effective and efficient online investment you can make. Your ads are only being shown to users who have expressed an interest in your brand, product, or service. This means that only people who have visited your hotel and engaged with the booking engine are being targeted – making them much more likely to convert a booking. As a result, you are no longer wasting ad impressions on consumers you think might be a good fit for your hotel. This allows you to achieve a significantly higher ROI, and much more efficient marketing spend and a near-elimination of wasted advertising dollars.
- 2. Performance.** As we've already discussed, performance is a risk AND a reward. Yes, you may see fewer clicks, but the number and value of conversions will more than make up for that. And ultimately – clicks aren't driving your bottom line. Bookings are generating the revenue you seek. So stop focusing on clicks and pay attention to conversions. And then, watch your performance increase exponentially by layering display remarketing with a holistic, multi-channel strategy including PPC, SEO, mobile, and more. You can reach, influence, engage, and convert users wherever they are – whenever they are in shopping or research mode. So when it comes time for them to take out their credit card and spend, you and your properties are top of mind, every time.
- 3. Sustainability.** Possibly the best thing about display remarketing is that it will translate into incremental, sustainable revenue for you. It will. It virtually ensures you are not wasting a single dollar of your advertising budget on a non-qualified, uninterested user. Nearly every person you reach is a viable prospect, and

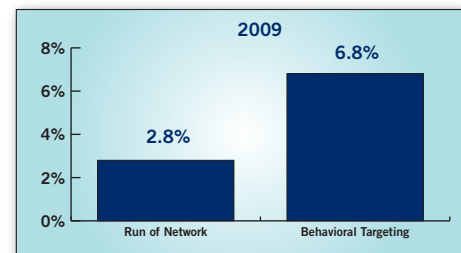
the fact that you are showing them relevant advertising means your brand will likely be top of mind next time they have a trip to plan. Incremental revenue stems from a broad, qualified audience. And, sustainable revenue comes as you build the size of this now-loyal audience.

## WHAT THIS MEANS FOR HOTELIERS

Display remarketing delivers – again and again. It delivers relevant advertising to receptive consumers: Your hotel's message is delivered to prospective guests who have already expressed an interest in your hotel through their visit to your website. Recent studies from Revenue Science and eMarketer showed display remarketing generates a 3x increase in click-through rate and a 2x lift in conversions.

Display remarketing delivers a marked reduction in wasted impressions: It makes sure every impression counts by targeting custom advertising messages to consumers who have expressed a direct interest in your brand, property, and rooms – and eliminating all risk of showing an ad to a consumer who is simply not interested.

### Average Conversion Rate Worldwide for Online Display Advertising on Ad Networks\*, by Ad Segment, 2009



Note: \*12 ad networks

Source: Howard Beales, "The Value of Behavioral Targeting" sponsored by the NAI

## BOTTOM-LINE DELIVERABLES

Display remarketing delivers an efficient overall spend on online advertising: Staying in front of your potential customers who have come to your property's website while in the consideration stage significantly increases advertising conversion rates.

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Display remarketing delivers an exponential lift in performance against all other display advertising: The average display remarketing conversion rate is twice that of traditional online banner advertising (NAI, March 2010).

Display remarketing is all done anonymously; no personal information or data is captured or collected. It's proven. Users have been identified as interested and research shows that they are thus 50% more likely to convert. Advertisers – specifically hoteliers – aren't wasting impressions on prospects who just aren't interested. You're earning revenue and seeing multiple repeat bookings. Display remarketing generates a halo effect by creating an uplift in the performance of your entire media spend – from increased brand awareness to maximized conversions to ongoing repeat bookings.

Basically, it's win-win for you and your target markets. You get the conversions you need; they get the relevant advertising that saves time in their booking decision-making.



*About TRAVELCLICK: TRAVELCLICK ([www.travelclick.net](http://www.travelclick.net)), the leader in hotel ecommerce solutions, provides a continuous flow of high-value online bookings to hotels worldwide. A uniquely comprehensive one-stop solution, TRAVELCLICK offers business intelligence, distribution, and digital marketing solutions delivered with personal attention and local market expertise. With revenue optimization experts in every global market, we help our clients make better business decisions, generate greater demand from the right mix of channels, convert more shoppers to high-value guests, and increase revenue and profitability. Serving the hospitality industry since 1999, TRAVELCLICK has more than 15,000 customers in 140 countries with offices in Baltimore, Barcelona, Chicago, Dubai, Houston, Melbourne, Shanghai, and Tokyo. Follow us on [www.twitter.com/TRAVELCLICK](https://www.twitter.com/TRAVELCLICK) and [www.facebook.com/TRAVELCLICK](https://www.facebook.com/TRAVELCLICK).*

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