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Major Hotel Chains Grow Internet Reservations Over 22% in 2004

Brand Websites Increase Volume of Reservations Over 31%

CHICAGO (April 5, 2005) – TravelCLICK today released its 2004 full-year eTRAK results, which indicate that Internet reservations received at the central reservation offices (CROs) of major hotel brands grew 22.8% versus 2003.

In 2004, brand websites grew substantially and gained share compared to third-party merchant and opaque websites. According to eTRAK, brand websites were the source of 71.4% of the brands' centrally booked Internet reservations, compared to 66.5% in 2003. Reservations booked via brand websites climbed 31.9% over the 2003 level.

Merchant websites, such as Expedia, Orbitz, Travelocity, etc., were the source of 8.6% of Internet reservations. Bookings via these channels grew by 9.0% over 2003. Opaque websites, such as Priceline and Hotwire, increased by 16.0% and sourced 7.5% of the brands' centrally booked Internet reservations in 2004.

eTRAK is a quarterly benchmarking report that allows hotel chains to track booking trends on the Internet and GDS. The full-year 2004 eTRAK report highlights both the growth of electronic hotel bookings on the Internet and the continuing importance of GDS e-commerce for 32 major hotel brands and chains. eTRAK shows that 35.3% of CRO reservations came through GDS channels, while Internet sites contributed 30.7% of CRO reservations in 2004. In total, 25,691,776 bookings were made on these brands over the Internet last year.

The 32 major brands also reported that, on average, 21.9% of their CRO reservations were received from their brand website (i.e. marriott.com, hilton.com, etc.), 2.6% of CRO reservations were received from merchant sites and 2.3% were received from opaque sites. Slightly more than one-third, or 34.0%, of CRO reservations were made via phone.

Results from this study may differ from overall hospitality industry trends on the Internet and GDS because eTRAK reflects only the performance of 32 major brands. The conclusions, however, are directional for the industry as a whole.

"2004 was a year of considerable growth for brand websites at the expense of merchant and opaque websites. The results show that third-party websites have lost share of Internet reservations booked on hotel brands," said John Hach, vice president and product manager of emarketing products for TravelCLICK.

Reservation Sources for Major Hotel Brands – 2004 Full Year

CRO Hotel Bookings	Percent of 2004 Reservations	Percent of 2003 Reservations	Percent Change 2004 over 2003
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Brand Websites	21.9%	18.1%	21.5%
Retail Websites	3.8%	4.3%	-11.1%
Merchant Websites	2.6%	2.2%	22.3%
Opaque Websites	2.3%	2.6%	-12.3%
Total Internet	30.7%	27.1%	13.1%
GDS Travel Agent	35.3%	36.5%	-3.3%
Total Electronic	66.0%	63.6%	3.7%
Voice	34.0%	36.4%	-6.5%
Total for CROs	100%	100%	

Combined, Expedia and Hotels.com had a 65.9% market share of merchant bookings received at the CRO of the major hotel brands. Travelocity and Orbitz had market shares of 19.2% and 9.4% respectively.

Priceline's share of opaque bookings at the 32 major hotel brands was 77.8% in 2004, while Hotwire's share was 22.2%. Priceline's growth, at 16.6% year-over-year, outpaced that of Hotwire.

Sources of Internet Bookings – 2004 Full Year

	Percent Change over 2003	Share of Internet Bookings 2004 Full Year	Share of Channel Bookings
Brand Sites	31.9%	71.4%	100.0%
Retail Sites	-3.6%	12.5%	100.0%
Merchant Sites	9.0%	8.6%	100.0%
Expedia	5.0%	3.0%	35.4%
Hotels.com	-15.8%	2.6%	30.5%
Travelocity	109.3%	1.7%	19.2%
Orbitz	-0.5%	.8%	9.4%
TravelWeb	24.5%	.3%	4.0%
Lodging.com	N/A	.1%	1.5%
Opaque Sites	16.0%	7.5%	100.0%
Priceline	16.6%	5.8%	77.8%
Hotwire	14.1%	1.7%	22.2%
Total Internet	22.8%	100.0%	100.0%

The eTRAK report covers all central reservation office booking results including GDS, voice and Internet bookings. The report allows subscribers to compare their own performance versus their direct competitors and the industry in general. The unique information contained in eTRAK is intended to help hotel companies determine e-commerce priorities, such as where to invest Internet advertising dollars and which sites create the best returns. For more information about TravelCLICK's eTRAK report, email etrak@travelclick.net.

About TravelCLICK TravelCLICK (www.travelclick.net) is the leading provider of solutions that help hotels and other travel industry suppliers maximize profits from electronic distribution channels. The company's iHotelier booking engine platform and website marketing programs enable hotels to better execute strategies that increase business into their own websites. TravelCLICK's competitive benchmarking reports provide hotels with price and booking performance information, and the company's exclusive electronic marketing networks allow hotels and other travel related suppliers to target promotional messages to specific travel agents and consumers when they are booking travel.

Established in 1996 and headquartered in Chicago, TravelCLICK has over 8,000 customers in more than 140 countries.