

Search Engine Marketing for Online Travel Intermediary: MoreThailand.com case

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Agenda

1. Introduction to www.MoreThailand.com
2. Capital Ideas – Tourism and SEM
3. Business Implications – Value Revelation
4. Our Results and future plan
5. Conclusions



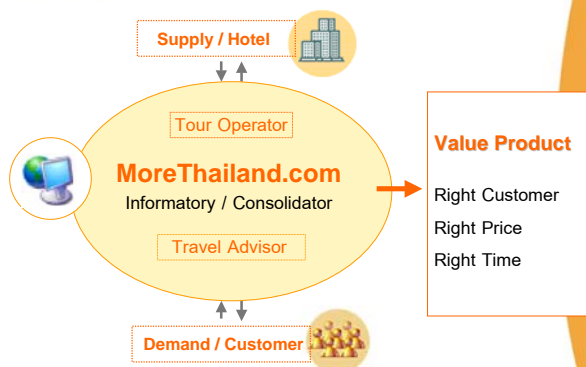
1. MoreThailand.com

- Over 2 Years old, start up, online travel business site owned by www.a2zPro-Travel.com mainly for inbound FITs to Thailand.
- On supply side, MoreThailand.com represents over 1,000 independently owned and operated (IOO) hotels (and travel suppliers) in Thailand.
- On the intermediary side, it operates with its 8 own affiliated storefronts [e.g. MorePhuket, MoreKrabi, MoreSamui, MorePattaya, MoreBangkok ...ThaiParks123.com] and more.
- On the demand side, we have total 250,000 hits per day and over 4,000 unique visitors per day in 2004 with tremendous growth.
- At least two major contributions to our success are
 - 1) Dynamic pricing : Value Proposition for Market Niche,
 - 2) Search Engine Marketing (SEM) : SEO, AdWord,etc.

See more discussion by Sunil Sahadev and Pongsak Hoontrakul [2004]



MoreThailand.com's Business Model



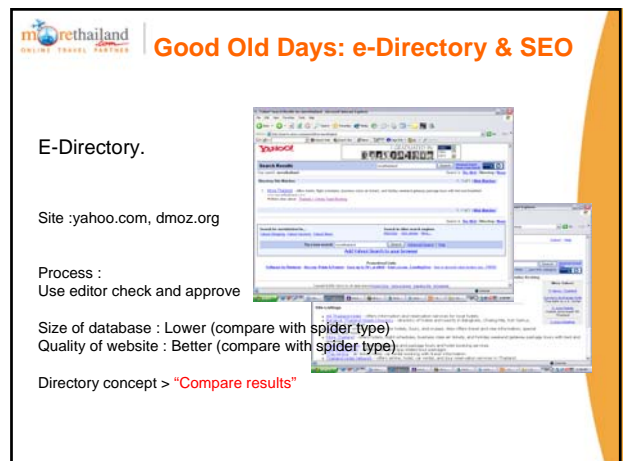
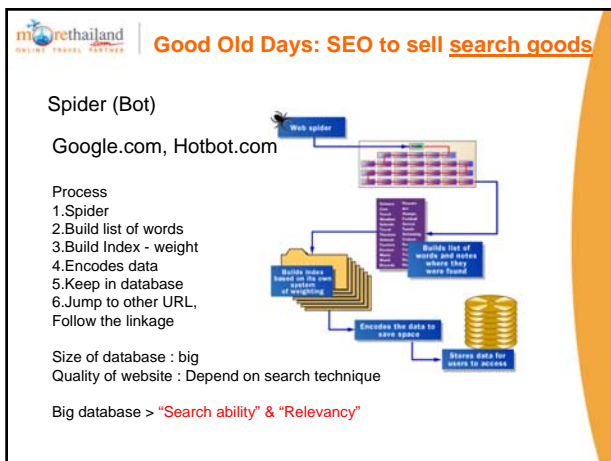
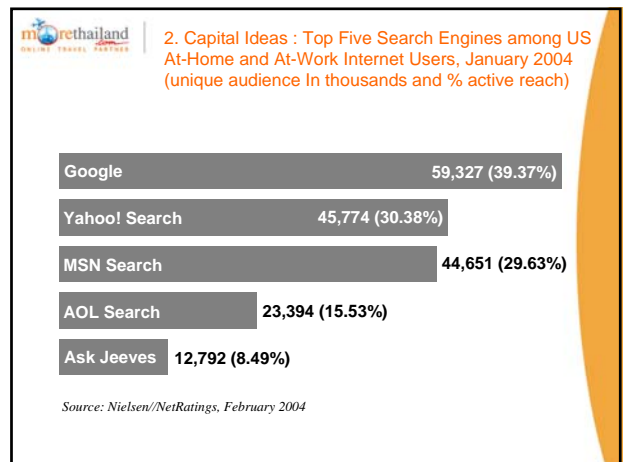
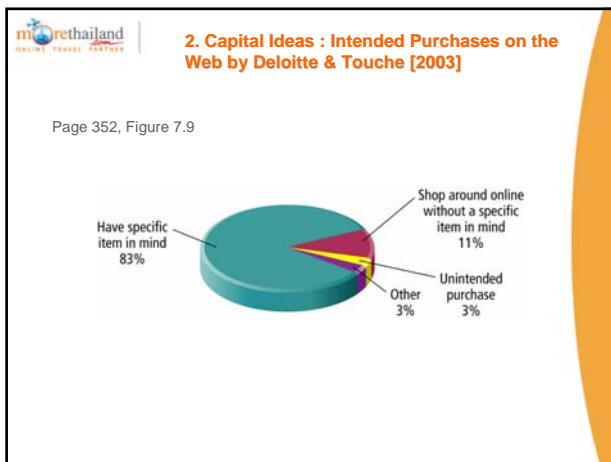
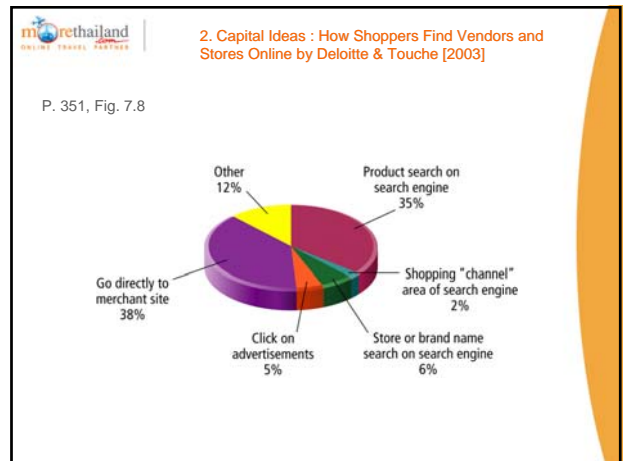
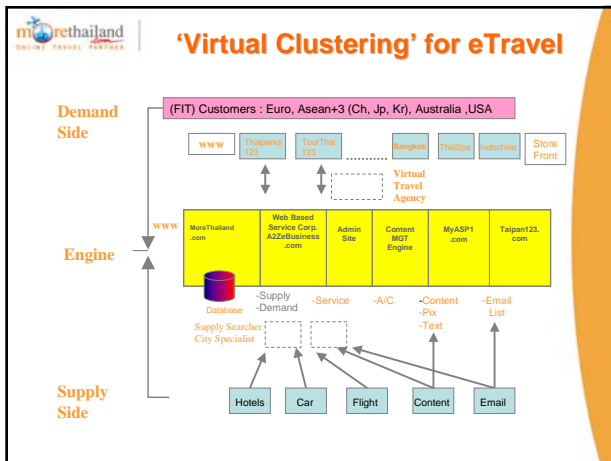
2. Capital Idea and SEM

... We are in [Travel Business](#) engaged in [ICT/ internet space](#).

- Tourism is information intensive industry.
- Tourism industry in Thailand (and Asia) is highly fragmented dominated with a handful of travel consolidators and tour operators.
- The emergence of foreign independent travelers (FIT) breaks down traditional distribution channels and gives online travel opportunity.
- On supply side, hotels and travel suppliers in Thailand has low ICT penetration and low innovative e-commerce marketing.
- On demand side, the end customers (FIT) are increasingly sophisticated in their need, taste and ICT usage.

...As a small company, we position ourself to be a niche player.
Offer "More Choices, More Value"

See more discussion by Sunil Sahadev and Pongsak Hoontrakul [2004]



Gold Old Days : SEO & ICT biz concept in catch up game

- How to do ? 5 steps of optimization your website
 - Create and optimize / Google page rank algorithm,
 - Submission to search engine,
 - Make link popularity for high page rank (PR),
 - Tracking By Website log file / Webtrend Statistic, your website 's transaction and affiliate program
 - Maintenance
 - 1 Know your customer
 - 2 Find the relation- relevance of
 - 3 Customer – Destination – Activity
 - 4 Improve your target keywords
 - 5 Improve your products
 - 6 Make your SEO campaign to support it.

This is more or less innovative/ know how strategy fit best for the search goods for mass market.
In the end, price competition reigns.. Where is the profit ???

Example of IT SEO dev't & Catch up game

Google.com	Search Engine algorithm	Webmaster Tactic
1 st Generation (20%)	Tracking metatag – Contents (Keywords Density algorithm)	Spam meta – Contents
2 nd Generation (0%)	Link popularity algorithm	Link farm – links-pal.com
3 rd Generation (40%)	Link popularity + "Weight" algorithm (PR)	High page rank
4 th Generation (40%)	Website Authority – yahoo.com (HillTop Algo)	Pay for Link

See more discussion from <http://www.seorank.com/analysis-of-hilltop-algorithm.htm> ; <http://www.cs.toronto.edu/~georgem/hilltop/> ; <http://www.links-pal.com/avoid-ffa-pages.html>

3. Value Revelation (Pre- /Post- Cost of Quality Detection) of Travel Products

High, Long time	Post Experience Goods Ex : Education/ Health Travel, Eco-Tourism, Vaccine.. >Exotic Destination: Koh Chang, Ang Kor Wat ...	Credence Goods Ex: Surgical Tour, Nursery / Rehabilitation Home, Doctor.. >Trustworthy Destination: school, hospital...
	Search Goods Ex : Hotel Room, Air Travel, Cola... >Destination: Bangkok, Phuket, Pattaya ...	Experience Goods Ex : Rayawadee, Pimalai, 'Body and Mind' pax, Disney.. >New Destination: Koh Lanta, Khoa Lak..

Ex ante Low Pre- Cost Ex post High Pre-Cost

Before Purchase or Pre-Cost of Quality Detection

See more discussion by Hoontrakul [2004]

3. Branding: Relevance v.s. Differentiation One global brand or multiple brands

High Relevance	'Antes' Features that are <u>important</u> to consumers but are provided by all competitors at similar level	'Drivers' Features that are both <u>important</u> to consumers and <u>highly differentiated</u> from those of competitors
	'Neutrals' Features that are <u>irrelevant</u> to consumers	'Fool's gold' Features that are <u>distinctive</u> but do not drive consumers' loyalty to brand
Low	Low Differentiation	High

Source: 'Building a Brand' by Mc Kinsey 02

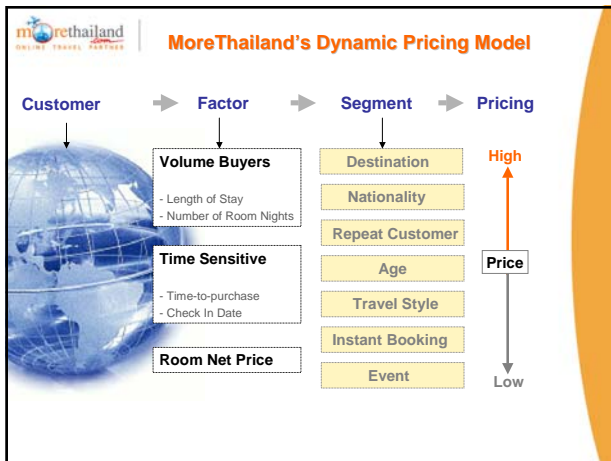
3. SEM and the Buying Cycle

SEM / Adword Campaign Goals and Objectives should line up with the profile of the searcher.

Research and Buying Process	Number of keywords	Search Volume	Marketing Goal	Conversion Rate	Sample Keyword
Advertiser	Low	Very High	Research brand and build awareness	Very Low	insurance
Consideration or Research	Depending on Business Hundreds of Thousands	High	Probe the buying decision	Low	car insurance
Visit & Shop	Depending on Business Hundreds of Thousands or Tens of Thousands	Medium	Compare on more specific keywords	Medium	car insurance quote
Purchase	Depending on Business Hundreds of Thousands	Low	Generate Revenue Close the Sale	High	new jersey car insurance quote

While longer phrases tend to be further down the cycle, short ones may be as well, brands, products, etc.
MoreThailand.com : 1) Destination, 2) Nationality, 3) Lifestyle

3. General Theme Page 1



What could Morethailand.com offer to hotels?

Online Marketing : Popular area for Prefer Hotel

Special Price Advanced Booking for December to January
Save up to 62%
S.P. Chaweng Beach Resort, Koh Phi Phi

Hotels for Top Destination

Search The Web

Destinations Guide

Hotels for Top Destination

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What could MoreThailand.com offer to hotels?

Online Marketing : Popular area for Prefer Hotel

Hotels in BANGKOK

Hotel Name	Rate	Location	Price (Euro)	Rooms Available
Four Seasons Hotel Bangkok at The Siam	500	Bangkok Airport	17	24
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What could MoreThailand.com offer to hotels?

Online Marketing : Search Engine ,Google Adwords

http://www.google.de

http://www.google.com

Nora Beach Resort – Product Differentiate

LONG stay holiday offers

Samui long stay Package : Long stay at Nora Beach Resort & Spa

Valid : Low Season 01/04/04 - 15/07/04 & 17/09/04 - 30/11/04
High Season 16/07/04 - 15/09/04 & 01/12/04 - 19/12/04

Room Type

- Superior Room
- Nora Villa
- Nora Ocean Villa
- Nora Ocean Suite

Low Season : 01/04/04 - 15/07/04 & 17/09/04 - 30/11/04

Stay 7 Play 5 Nights

Room Type	Market Price (US\$)	Our Price (US\$)	Saving	Request
Superior Room	112	112	0%	booking
Nora Villa	117	117	0%	booking
Nora Ocean Villa	117	117	0%	booking
Nora Ocean Suite	117	117	0%	booking

Chaweng Buri Resort – Lowest Price Guarantee

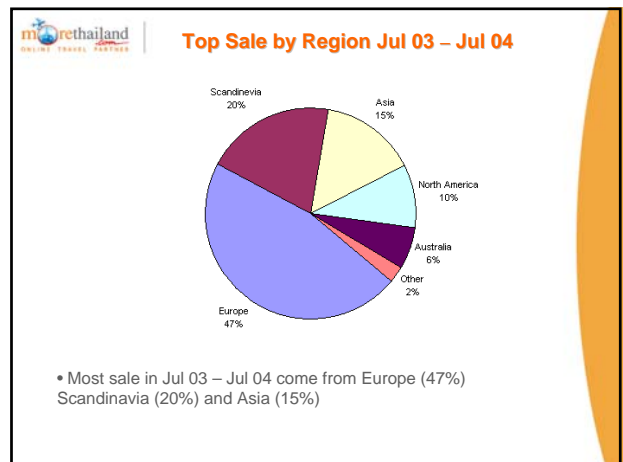
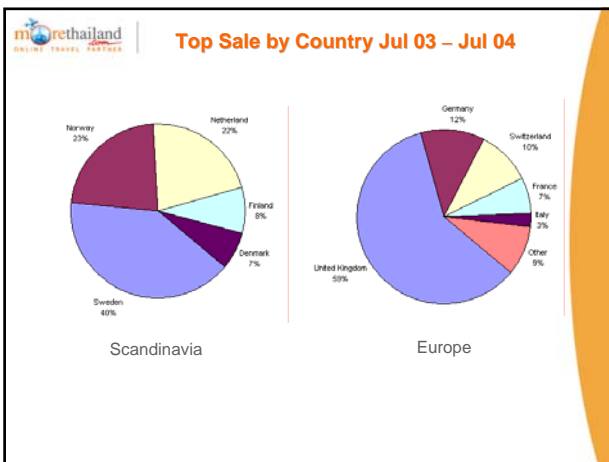
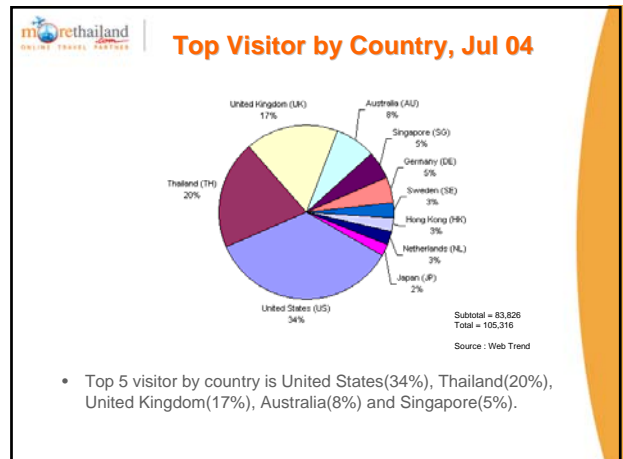
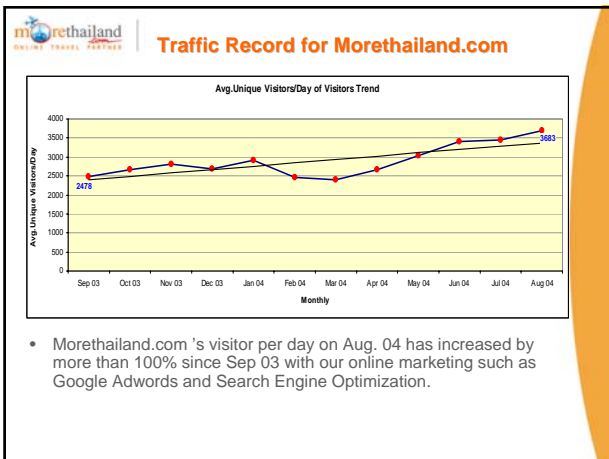
Long Stay Promotion

Room Type : Superior Chalet

Full Rate: 728 | Our Rate: 524 | Save: 27%

Special Promotion Price in Euro (Lowest Price Guaranteed)

Room Types	81 Aug '04 - 31 Aug '04	1 Sep '04 - 31 Oct '04	01 Nov '04 - 31 Dec '04
Superior Chalet - Single/Twin/Double <td>149</td> <td>149</td> <td>149</td>	149	149	149
Advance Booking (4 - 6 days)	56 (62%)	60 (60%)	60 (60%)
Advance Booking (7 - 14 days)	52 (65%)	50 (65%)	52 (65%)
Advance Booking (15 - 30 days)	49 (67%)	45 (67%)	46 (68%)
Advance Booking (31 - 60 days)	47 (68%)	45 (70%)	46 (69%)
Flex (> 10 days)	47 (68%)	44 (70%)	45 (70%)



		Occasion				
		Flexibility	Personal	Business		
Who	Trip Purpose	Schedule in Advance (e.g., Family Vacation)	Flexible Event (e.g., Going Home)	Last Minute (e.g., Surprise Birthday Party)	All Other	Business
	Students	Students on Vacation	Students Going Home	Last Minute	All Other Trips	Business Trips
	Retirees	Retirees				
	Low-Middle Income / Not Frequent Fliers	Families with Children	Low / Mid Income on Vacation			
Demographics and Behavior	All Other Families	Other Low / Mid Income on Vacation				
	Middle-Upper Income / Frequent Fliers	Families with Children	High Income Families on Vacation			
Groups		All Other Families	High Income Nonfamily Trips	Total Number of Trips = 45% - 55% of the Market		
		Group Trips				

■ = Primary focus □ = Approximately 45% - 55% of the Total Market

4. More e-Marketing Analysis

Asian (Short Haul) FIT

- Many happy returns / Breaks
- Short time plan / stay
- Specific interest – shopping, wellness, food ... coaching

European (Long Haul) FIT

- Annual Vacation
- Long time plan / stay
- Specific interest & Variety Long stay & diving / cooking

- Buying behavior trade off price & flexibility
 - Advance booking not works well
 - Looking for deals in a hurry
 - event driven
 - more price sensitive
 - Demand friendship building
- Buying behaviors
 - Trade off price & experience
 - Advance Booking works well
 - some travel advisory needs
 - couple / family consensus
 - less price sensitive (high end)
 - Demand divine service

See more discussion by Sunil Sahadev and Pongsak Hoontrakul [2004]

