



webTrends®

Passport to Success

THE ESSENTIAL GUIDE TO
MARKETING ANALYTICS FOR TRAVEL

SPONSORED BY



Travel Industry Association

CONTENT PARTNER

eMarketer™
THE FIRST PLACE TO LOOK

Passport to Success

THE ESSENTIAL GUIDE TO
MARKETING ANALYTICS FOR TRAVEL

Foreword	04
Introduction: Building Online Revenue Through eCommerce	08
Online Travel in the US: The eMarketer View	14
Listening, Targeting and Engaging	20
E-mail Plus Word-of-Mouth: A Marketing Revolution	28
Making the Most of E-mail Lists	32
Search Marketing: Coming Out On Top	40
Branding and Search for Online Travel	44
The Future of Online Travel	50
The Business of Blogging	54
Additional Resources	62
About the Experts	63
About TIA and eMarketer	64
About WebTrends	65

Foreword

by JASON PALMER, Vice President of Marketing, WebTrends Inc.

Marketing analytics give online travel companies deep insight—and customer loyalty that helps sales take off.

There's no doubt that today's online travel industry is competitive. According to TIA, approximately 101 million travelers are already on the Internet, and a majority of them (78%) are looking at a variety of online resources when researching, planning and booking trips. While the number of online travelers is expected to remain steady, eMarketer projects total online sales of leisure and unmanaged business travel in the US to grow from \$65 billion in 2005 to \$122 billion in 2009. So how do travel companies continue to build customer loyalty to capture their share of this growth? Customer insight, consistent measurement, and targeted marketing are the keys.

E-Ticket to Success: the Web

As people spend more time on the web, they provide a wealth of information about themselves... from their research interests and planning habits to overall buying patterns. Smart travel organizations

build customer relationship management into their process, providing customers the opportunity to state their explicit preferences, such as membership number or origin city, online as they buy. They are also leveraging the unique measurability of the web to capture implicit behavior, such as packages their customers view or content they read, to build even richer customer profiles. With this valuable information at hand, online travel marketers can build stronger customer relationships through targeted marketing and improved online experience.

Working with leading travel organizations, we understand that there is a very important window in which to reach customers. Price shopping is heavy which can result in several visits to a site over a short period of time. Helping our customers to improve their online experience and build customer loyalty through relationship marketing ensures they keep their service at the top of customers' minds. Our travel customers that are most successful are using web analytics to:

- Segment their customer base and identify their preferences and product interests to drive targeted marketing
- Produce key performance indicators to measure their business
- Analyze and improve the booking process to make it easier for customers to buy
- Consistently measure the impact of their marketing programs and partners through integrated campaign analytics
- Improve online self-service and assistance during the purchase process to decrease the cost of sale
- Determine the impact that blogs and other Web 2.0 technologies have in engaging and converting customers

First-Class Results

In the following introduction from the Travel Industry Association of America (TIA) you'll learn about the trends that are having an impact on the travel industry today and tomorrow. And the content provided by the experts at eMarketer will give you even more insight into targeting customers effectively and gaining their loyalty. You'll also find a wealth of information about search engine marketing, blogging, word-of-mouth, email, and other strategies that online travel companies can use to attract visitors and keep them coming back.

In addition, there's information about the importance of consistently tracking unique visitors over time, rather than single visits—especially in an industry where delayed conversion is the norm. According to the eMarketer Online Travel in the US report, the majority of conversions (up to 82 percent, for travel packages) usually occur days or even weeks after travel planning. Clearly, if you're not tracking delayed conversion, you're not getting a clear view of the effectiveness of your campaigns.

Enjoy the Guide

WebTrends is proud to present the *Passport to Success* guide with our sponsor, TIA, and our content partner, eMarketer, and we share in their mission to help online travel sites perform better. We've reached out to experts in the industry and combed through the rich archives on eMarketer to pull together these timeless articles and insights.

Introduction: Building Online Revenue Through eCommerce

by DR. SUZANNE D. COOK, Senior Vice President of Research, TIA



According to Forrester, nearly \$75 billion of travel will be bought online this year. Travel is the top category in terms of spending for all products purchased online, and it is growing. Online travel agencies are booking nearly half of the leisure/unmanaged business, but travel providers (air, hotel, car) are fighting hard to increase their market share. Jupiter Research forecasts that supplier web sites continue to represent the majority of online travel sales accounting for 56 percent of online travel revenue in 2005. eCommerce and online marketing are changing both the way we do business and how consumers perceive the products and services our industry has to offer.

Travelers' Use of the Internet 2005 Edition, sponsored by USDm.net and published by TIA in November, 2005, reports that 79 million American adults are now using the Internet to plan their trips—that's up significantly from the year before. With the increases in online travel planning, other planning sources have declined, such as traditional travel agents.

Also growing rapidly is a propensity to book online—with nearly 65 million U.S. adults now doing this. Travel products booked by the greatest numbers of online travelers include airline tickets, hotel accommodations and rental cars, but there have also been significant increases in the online purchase of other travel products such as cultural events and theme/amusement park tickets, and travel packages in the past year. Given the meteoric rise in Internet usage for travel booking or planning, it becomes imperative for travel executives to understand how to market online.

Changing Values, Changing Lifestyles

The time deprivation that many Americans suffer carries over into their attitudes about travel. Americans get less vacation time than most other industrialized countries. Worse, though, is the tendency to forego leisure time or to take it and bring along the laptop, PDA and cell phone, virtually chaining travelers to their offices. The combination of changing demographics and lifestyle attitudes is influencing the choice of activities while traveling. Shopping and dining have been at the top of American travel activity lists for many years. These are followed by entertainment, sightseeing, beach, nightlife and theme parks, all with varying degrees of interest based on consumer demographics and trip purpose.

While many of these activities are still popular, an ongoing TIA and DK Shifflet & Associates survey shows that there are major shifts by age bracket and whether or not there are children in the household. For instance, golf has risen in interest for the 18-34 and 55+ households without children, while beaches and adventure activities are a lower priority for these groups. Theme parks, national/state park visits and adventure sports are increasingly popular in most family segments, while the traditional beach visits are declining.

In keeping with the trend to want more sophisticated and more interesting experiences, more travelers are choosing the heritage, cultural and historic theme than ever before. Another subset will pursue more physical activities such as adventure, specialty sports and “volun-tourism” (such as Habitat-for-Humanity-driven trips). *Leisure Travel Planning: How Consumers Make Travel Decisions* published by TIA re-confirms how important activities are in the destination selection process.

Customer relationship management (CRM) is a marketing approach supported by technology that harnesses the information gathered regarding travelers’ profiles and preferences. The travel industry is moving from the days where all loyalty programs were based on miles or points to one in which customer preferences are being addressed and recognized.

CRM systems can be built by adding traveler preference information to transaction records. It has become common for travelers to be asked preferences on a travel provider’s website. Their preferences for travel may influence package development by online travel agencies, tour operators and hotels. Once the travelers have identified themselves as golfers or wine enthusiasts, the travel provider can offer up packages when this interest is a part of the program. Further, the advent of mobile technology has allowed travel providers to update their customers wherever they are.

This is a sea change in marketing because the wealth of knowledge available about a consumer can be used to improve both customer service as well as communication.

There are certainly plenty of privacy concerns, but when used effectively, these tools can be the best competitive edge a

company can wield in an intense marketplace. It is possible to build relationships with customers so the travel marketer will know what is hot and what is being demanded as consumers' interests shift. The real value in understanding customer lifestyles is in the underlying intelligence about how consumers live their lives and how they want to interact with their preferred vendor, whether it's an airline, hotel, destination, tour operator, car rental company or their local grocery store or gas station. The travel industry is uniquely positioned to meet consumers' needs for creature comforts, adventure, relaxation, and inner health.

Travel often plays an exciting and stimulating role in many lives. Most consumers don't talk to each other about their routine visits to the dry cleaner or bank or grocery stores, but they do spend considerable time talking about their travel experiences. It is the travel industry that can rise to the challenge of understanding the range of travelers' lifestyles and utilize the current technology du jour to deliver the kind of experiences their customers aspire to enjoy.

Online Travel in the US: The eMarketer View

by BY JEFFREY GRAU, Senior Analyst, eMarketer

July 2006

Travel has traditionally been one of the driving forces of online retail. However, US travel industry analysts now broadly agree growth in online travel sales is finally slowing down. The likely reasons are a challenging economic environment and a maturing online travel market. With most US travelers already using the Internet, online travel distributors will compete more aggressively for their business. To earn customer loyalty, online travel agencies are beefing up customer service, and online travel suppliers, such as hotels, are adding more information about accommodations and nearby activities. A more unusual approach to adding customer value can be gleaned from comScore tracking data.

Key eMarketer Numbers

\$122 billion	Total online sales of leisure and unmanaged travel in the US in 2009, up from \$65 billion in 2005
19.7%	Growth in online sales of leisure and unmanaged business travel in the US in 2006, down from 24% in 2005

Source: eMarketer, May 2006

www.eMarketer.com

ComScore analyzed the other online retail purchases made by consumers who also purchased travel in the same month against online purchases made by the general population. Online travel bookers were found to be significantly more likely to purchase from two categories: event tickets, and flowers, greetings and gifts. An online travel distributor might use these findings to attract advertisers or to form partnerships with e-tailers. Research also shows that business travelers like to go online not only to plan and book travel, but also to specify travel preferences, update or change reservations and access account information. Online travel distributors who make it easier for business travelers to manage their itineraries might also gain customer loyalty.

Consumer Confusion with Online Travel Planning

Online travel shopping is rife with pitfalls. It is well documented that consumers visit multiple sites to plan travel. Some do it as a form of recreation, but many others see it as a necessity. The latter group has discovered that no single travel site consistently offers the best price, shows a complete travel inventory or answers all the questions a consumer has about a travel product (especially when it comes to selecting hotels or cruises where there are multiple decision points).

The real number of sources used to plan travel may be underestimated if travelers who plan online but then book offline are not taken into account. Multi-channel travel buying is prevalent for hotel bookings. Research shows that 51% of leisure travelers who booked hotels offline researched prices on the Internet.

Online travel agencies were the original one-stop shopping destinations for travel, but this is not how consumers use them today. Travel search engines were created to fill this gap. However, they are no panacea either. A *Consumer Reports* WebWatch study from

December 2005 warns that consumers may be operating under the false impression that travel search engines comprehensively search the Web and always retrieve the lowest prices. This is far from the truth. Southwest Airlines, for example, does not permit third-party sites to book its seats, and not all online travel agencies allow their inventories to appear on travel search engine sites.

Recently *The New York Times* reported that a group of major airlines want to make it more difficult for consumers to compare prices online. Empowered Internet users who comparison-shop online for the cheapest tickets have been driving fares down. In response, the airlines have launched a lobbying effort intent on overturning regulations that compel them to advertise fares that include the entire amount they would charge a customer.

Personalization and Customization that Matter

Personalization and customization are important techniques for building customer loyalty, as long as they are applied in ways that matter to customers. A 2006 Accenture survey of online business travelers found that business travelers' preferred hotels are falling short in using what they know about personalization and customization to deliver better service.

This is troubling because one of the benefits that was supposed to accrue to web travel suppliers was greater customer data that would be used to deepen customer relationships. The Accenture study also reveals that many business travelers are not redeeming their airline and hotel loyalty points, even though travel suppliers market them as a key differentiator. A study by VFM Interactive, a technology supplier to the lodging industry, found that even leisure travelers, who tend to be more price-conscious than business travelers, rank brand, star ratings and customer recommendations ahead of loyalty programs as factors that influence hotel selection.

Leading Factors* in Selecting a Hotel Online according to US Online Travelers, October 2005 (% of respondents)

	Very important	Important
Written description of the accommodations	23%	48%
Visuals of the accommodations	28%	41%
Information about the destination	17%	44%
Property star rating	14%	45%
Brand of hotel	11%	42%
Customer reviews or testimonials	13%	31%
Loyalty program	8%	23%

Note: n=1,953; *other than price and location
 Source: Harris Interactive for VFM Interactive, November 2005

068784 www.eMarketer.com

The Future of Online Travel

Experiments with user-generated content and social networks abound on travel Web sites. The travel review site TripAdvisor launched a wiki where “experts” recommend activities at popular travel destinations. Meanwhile, Expedia is testing a feature that helps travelers build itineraries around themes such as an adventure or romantic vacation.

Despite these and many other trials, a Forrester Research survey from March 2006 found that consumers are slow to adopt applications such as RSS (really simple syndication), blogs and podcasts in making travel plans. Travel executives are also wary of the benefits of these applications. A joint New York University and PhoCusWright survey from 2005 revealed that travel executives, at least for now, believe other technologies such as data mining and travel search engines have a bigger payoff.

Online travel will inevitably follow overall Internet commerce trends. On this subject, technology pundit Esther Dyson, editor at large of CNET Networks, is someone well worth listening to. If she has her pulse on the future of the Internet, then big changes are in store not just for online travel, but for e-commerce in general. In a recent interview with *The Wall Street Journal Online*, she had this to say:

“I think you’ll see a fundamental shift in the balance of power towards individuals. Individuals will declare what kinds of vendors they want sponsoring their content, and then those vendors will have the privilege of appearing, discreetly, around the user’s content. There will be much less ‘advertising’ and much more communications to interested customers. Advertisers will have to learn to listen, not just to track and segment customers.”

—Esther Dyson, Editor at Large, CNET Networks, *The Wall Street Journal Online*, May 2006

Perhaps a time will come when travel planners will be able to search a robust database of user-generated itineraries, rated by other travelers, and indexed by themes (not just “romance” and “danger,” but also “Civil War buff” or “art lover in Italy”), and find a trip to their liking. This trip could then be placed in an online travel marketplace, similar to Priceline, where travel suppliers have the chance to bid on supplying that trip. This could certainly remove some of the inefficiency in having to search multiple sites. It would also put consumers in the driver’s seat. Instead of being pushed travel offers, consumers could pull offers they want when they want them from travel suppliers.

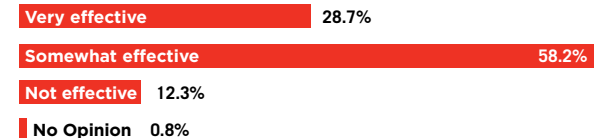
Listening, Targeting and Engaging

by GEOFF RAMSEY, CEO, eMarketer

June 2006

Now that consumers are more in control than ever of their media experience, marketers need to adjust their tactics in order to get through.

US Advertisers' Opinions Regarding Mass-Audience Advertising's Effectiveness by the End of the Current Decade, December 2005 (% of respondents)



Source: American Association of Advertising Agencies, December 2005

071818

www.eMarketer.com

There are a number of challenges facing marketers today. Since the consumer is now in control (ie armed with TIVOs, iPods, BlackBerry devices, spam filters, broadband connections and an endless array of

delete buttons), marketers must find new ways to break through the clutter and get their messages across. It's by no means an easy task, but there are numerous opportunities to be found on the web.

“Marketers must create a connection environment, in which they meet their customers in their search for content and community.”

—Rishad Tobaccowala, Denuo

Successful marketing strategies today tend to revolve around the following three concepts:

- Listening
- Targeting
- Engaging

“Listening” means that marketers set aside their ingrained “command-and-control” style of delivering messages on a one-way path, and instead open their senses to what consumers are saying, doing, feeling and thinking. “Targeting,” meanwhile, entails sacrificing some reach in order to pinpoint your messages to the most likely prospects, thereby minimizing waste and achieving a higher degree of relevance. Finally, marketers are searching for creative ways to “engage” their audiences with advertising that is so compelling that consumers are likely to forget it’s advertising, or simply not care. What follows are a few examples of how these three concepts can be put into action online.

“Interruption or disruption as the fundamental premise of marketing no longer works. You have to create content that’s interesting, useful or entertaining enough to invite the consumer.”

—Jeff Hicks, CEO, Crispin Porter + Bogusky

Listening Mode

Have you ever been out in nature and simply listened to the sounds around you? It can be a stimulating and highly educational experience. Similarly, if marketers take the time and effort to actively listen to consumers, they can gain new insights and a deeper understanding that will enable them to be more authentic in their marketing messages. How can you listen to consumers—beyond spending thousands of dollars behind a one-way mirror (ie, focus groups)?

One way to listen is to observe social networks like Myspace.com or Yub.com. Think of social network sites as opportunities to learn about certain affinity groups, including their language, interests, attitudes and forms of self-expression. If you were to spend half an hour on the popular web site Myspace.com, for example, you could learn a great deal about young people and how they define and express themselves. Now, of course, you might also come to the conclusion that this is not a “safe” environment for advertising your product or service, but you can apply the learning to other media platforms, online and offline. You could adopt the language or phrases observed on social networks and use them for purchasing keywords for search campaigns. You could also apply the learning to your sales copy—in magazines, radio campaigns or on the web.

Blogs are another way to listen. Marketers should identify bloggers who cover topics that either reach a similar target group and/or relate somehow to the product category they sell. By listening in—whether or not you choose to join the conversation—you have an opportunity to hear how people really feel about your brand, product or service. With such learning, you could correct misperceptions in the marketplace and make effective changes to your product or the way you deliver customer service. Many companies have a toll-free telephone line to allow consumers to vent or make requests, but this

puts the onus on the consumer to actively reach out to the marketer. Listening to blogs allows you to tap into the passive conversations that are taking place on the web. Technorati now tracks 40 million blogs worldwide and 1.2 billion posts each day. What's more, there are a number of firms you can employ today, such as Nielsen BuzzMetrics, BzzAgent or Cymphony, which specialize in monitoring the conversations on blogs, social networks and other web platforms.

Targeting

There are so many ways to target online, and marketers are getting more sophisticated in their strategies for reaching specific groups based on segmented demographics, lifestyles, interests or behaviors. Search marketing is perhaps the ultimate form of targeting online since you are limiting your message to those prospects who are indicating their interests by typing in keywords to a search engine. These “hand-raisers” are the low-hanging fruit. It is surprising, though, how many advertisers are missing great opportunities to be there for consumers when they're engaged with search.

Take Procter & Gamble's Tide detergent. On the one hand, the CPG giant created a great site for the brand featuring a marvelously helpful “Stain Detective” section that instructs consumers on how to treat all manner of stains. But if you type in the words “stain removal clothing” into Google, nothing relating to Tide or P&G shows up on the few pages, either in the natural or paid search results. That's a shame, and a missed opportunity for targeting.

Beyond search, marketers can also experiment with behavioral targeting (BT). With BT, the advertiser can reach consumers who have demonstrated interest in their particular product category as evidenced by their past surfing behavior. Someone who has visited three travel sites in the past 20 days, for example, is a likely prospect

for a message about vacation packages. Theoretically, consumers should welcome such messages—since they are more relevant, or consistent with, the consumer's implied interests.

Certain blog sites or social networks could also represent good targeting environments for advertisers with relevant messages. The trick here is to adopt a new style of speaking, one that sounds less like ad copy and more like a conversation. Whether you are posting a message on someone else's blog or creating your own, the tone needs to be authentic. In these targeted, consumer-led environments, you need to speak plainly, admit your blemishes—and be willing to eat some humble pie!

Podcasts are another way to reach specific groups of people in an on-demand world. As a marketer, you can either sponsor a podcast that is already popular with a certain segment of consumers, or you can create a podcast of your own. Again, the trick is to make sure your content is so compelling, entertaining and/or informative that people will actually seek it out and keep coming back for more. There is no room for the hard sell in an on-demand environment.

Even lowly e-mail is getting more targeted. Less and less are companies blasting out generic e-mail campaigns to their entire lists. Instead, they're segmenting their e-mail based on pre-selected interests, demographic groups and even behaviors (eg, past purchases).

Engagement

“Time is the most precious asset right now. If we can be worth their engagement, that's the highest benchmark for advertising.”

—Jim Stengel, CMO, Procter & Gamble

The term “engagement” in marketing circles has reached buzzword status, and yet we still have no common definition or standard of measurement. What is engagement? As Mr. Stengel of Procter suggests, engagement is advertising that consumers, or at least a relevant target group of them, feel is worth their time. Can you create ads that consumers would actually choose to view and spend time with, and even possibly share with their friends? It doesn't matter what the medium is: Advertisers should be striving to create messages that attract rather than distract individuals.

Even TiVo recognizes this trend. They have created a service whereby viewers can call up (on-demand) commercials that represent their product interests, such cars or travel. It's an alien concept to most traditional marketers, but making ads that people want to see is the new standard.

Undoubtedly, one of the best opportunities for engaging consumers online is video advertising. eMarketer forecasts that online video advertising in the US will grow from \$385 million by the end of this year to \$1.5 billion in 2009. The engagement opportunity with video is simply irresistible for marketers desiring to make a real impact on consumers, with sight, sound and motion. What's more, broadband video ads allow marketers to go beyond what they can deliver through static television ads.

With online, you get better measurement as well as the opportunity for interaction and, possibly, consumers sharing your content with their friends, family and co-workers. It goes without saying that video ads should ideally be created specifically for the web, as opposed to merely repurposing television spots. The length of video ads, too, should be shorter than 30-second TV spots, depending on the duration of the content in which they are placed. For bold advertisers

who want to take engagement to the next step, there is the opportunity to create video ads that serve as stand-alone content. But the creative better be good!

“We have moved into an attraction economy and we should be measuring return-on-involvement.... Marketers should be asking how involved consumers are with their messages.”

—Kevin Roberts, CEO, Saatchi & Saatchi

Taking a step back, it is clear that each of these three practices—listening, targeting and engaging—is not mutually exclusive. To the contrary, marketers who do all three give themselves the best chance to succeed. For example, a video ad that is 1) created based on “listening to the consumer,” 2) targeted to a specific audience segment and 3) highly entertaining will likely be a hit. To put further firepower behind the ad, the marketer would do well to add a viral component. With an effective word-of-mouth mechanism, such as e-mail, consumers can share the ad with others, providing greater reach while also adding a measure of credibility.

“By joining the conversation with influential individuals on social media sites such as blogs and community networks, marketers use word-of-mouth and consumer-generated content to reach those people who self-target their interest in the company's offerings.”

—David Hallerman, Senior Analyst, eMarketer

E-mail Plus Word-of-Mouth: A Marketing Revolution

by DAVID HALLERMAN, Senior Analyst, eMarketer

August 2006

The possibilities are enough to make a marketer's mouth water.

The ubiquity of e-mail, among marketers and Internet users, has created a take-it-for-granted attitude that detracts from its actual power. But with 90% of Internet users—and over 55% of all Americans—e-mail unquestionably has access to an audience with critical mass, and it is increasingly becoming a primary delivery vehicle for word-of-mouth marketing.

US E-mail Users as a Percent of Internet Users and Total US Population*, 2003-2010

	E-mail users % of Internet users	E-mail users % of total population
2003	88.1%	52.0%
2004	88.5%	53.6%
2005	89.1%	55.1%
2006	89.7%	56.4%
2007	90.4%	57.8%
2008	91.1%	59.0%
2009	91.8%	60.1%
2010	92.2%	61.0%

*Note: eMarketer defines an e-mail user as a person aged 3+ who sends an e-mail at least once per month; *Internet users and total population aged 3+*

Source: eMarketer, July 2006

075274

www.eMarketer.com

The combination of e-mail and word-of-mouth affords marketers a potentially vast, and very powerful, new marketing tool.

“The fundamental purpose of e-mail marketing is to enhance a company’s relationship with its customers and to draw in new prospects. That might mean direct response sales messages, CPG coupons, building brand awareness, weekly or monthly e-newsletters, service messages about packages shipped or funds available in bank accounts, driving traffic to a company or brand web site and, increasingly, word-of-mouth communications,” says David Hallerman, eMarketer senior analyst. “More and more marketers today are joining the conversation among consumers—another way to say word-of-mouth—through e-mail to blend in with marketing today’s trend of consumer-generated content, such as blogs, social networks, video and related media.”

Just as e-mail is central for most interactive marketing, it is also intrinsic to online word-of-mouth, also called—in its variations—viral marketing, buzz marketing or word-of-mouth. Some distinguish viral marketing from traditional word-of-mouth by citing viral’s digital augmentation, as typified by the pass-along or forwarded e-mail.

“As e-mail marketers look increasingly to make the most of their lists, segmentation techniques can help them identify customers who might be willing, or even eager, to forward e-mail messages to friends and family,” says Mr. Hallerman. “That might mean offering discounts or samples to customers who’ve bought over a certain amount within a recent period, and then inviting them to pass along that offer to others.”

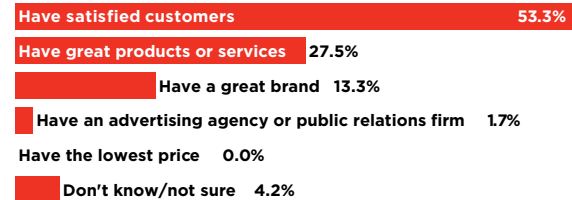
Internet word-of-mouth depends on Metcalfe’s Law—from Robert M. Metcalfe, inventor of Ethernet networking technology—which says that the value of a network increases with the square of the number of people using it. In this case the value in each network constitutes the number of people passing along any particular marketer’s message. If the offer is enticing enough, e-mail becomes the viral

carrier, where a large share of recipients forward something to a large number of friends, and the whole process escalates quickly with exponential growth.

“Many doubt that marketers can create true viral marketing using incentives targeted at people on their e-mail lists. Just as with other consumer-generated media (CGM), such as blogs, giving up control is essential to the word-of-mouth e-mail process,” says Mr. Hallerman.

Marketers surveyed by Osterman Research for BoldMouth, a word-of-mouth marketing company, indicate that satisfied customers, along with great products or services, are the most important things needed to generate word-of-mouth.

Most Important Thing that US Marketers Need to Generate a Word-of-Mouth Marketing Campaign, December 2005-January 2006 (% of respondents)



Source: Osterman Research commissioned by BoldMouth, May 2006
072917 www.eMarketer.com

However, like any powerful force, e-mail can also be dangerous.

“Marketers need to tread gently when using their opt-in e-mail lists to create buzz about products or services,” says Mr. Hallerman. “Messages that were once welcomed can be seen as spam if marketers press too hard, are too obvious or imagine that word-of-mouth can be direct-marketed in today’s increasingly consumer-controlled marketplace.”

Making the Most of E-mail Lists

EXCERPT FROM *E-MAIL PLUS WORD-OF-MOUTH: CONNECT WITH YOUR BEST CUSTOMERS*

by **DAVID HALLERMAN**, Senior Analyst, eMarketer
September 2006

Making the most of a company's e-mail list operates much the same as for direct mail lists, involving segmentation by factors such as frequency, recency and other behaviors, along with demographic and geographic data. Additionally, marketers can segment an e-mail list by interactive-only metrics, such as open and click-through rates (CTR).

Just as audience segmentation is a core concept behind such trendy marketing methods as behavioral targeting, segmentation is essential for well-managed e-mail lists. When marketers send e-mails and adjust content using segmentation techniques, it tends to increase opens and clicks tremendously, as MarketingSherpa research shows.

E-mail Marketing Segmentation Attributes in the US, by In-House vs. Outsourced E-mail, June 2003 (% of companies using segmentation technology)

	In-House	Outsourced
Frequency of service contact	61%	27%
Demographic data	59%	63%
Frequency of visit	56%	56%
Customer satisfaction	56%	51%
Geographic data	53%	63%
Open rate (e-mail)	45%	41%
Click-through rate (e-mail)	45%	39%
Time engaged	42%	34%
Customer profitability	41%	44%
Clickstream data	41%	22%
Recency of visit	39%	29%
Multichannel spending	39%	20%
Purchase frequency	36%	34%
Online spending	35%	34%
Recency of purchase	35%	32%
Pass-along rate	20%	24%
None	8%	7%

Note: n=107
Source: Jupiter Research, August 2003

057761 www.eMarketer.com

Effect of Segmentation on US Commercial E-mail Open and Click-Through Rates, by Audience Size, 2005

Audience size	Segmented		Not segmented	
	Opens	Clicks	Opens	Clicks
<5,000	50.5%	11.7%	5.6%	0.6%
5,000-10,000	48.8%	9.0%	3.9%	0.3%
10,000-50,000	28.5%	7.6%	4.0%	0.5%
50,000-100,000	13.4%	4.0%	3.7%	0.8%
100,000+	13.1%	1.1%	3.5%	0.2%
Average	30.9%	6.7%	4.1%	0.5%

Source: Topica for MarketingSherpa, October 2005

075314 www.eMarketer.com

Here's another way of looking at how segmentation increases responsiveness: Marketers who use advanced tactics—which include dynamic content, A/B offers testing and segmentation by user details—clearly boost their click-through rates.

E-mail Marketing Click-Through Rates for US Marketers Using Advanced Tactics; 2004 & 2005 (% of respondents)

	0%-2%	3%-5%	6%-10%	11%-15%	16%-20%	21%+
Marketers not using advanced tactics	18%	20%	26%	16%	13%	7%
Marketers using advanced tactics	5%	10%	21%	31%	15%	18%

Note: n=1,927; *advanced tactics include dynamic content, A/B offers testing and segmentation by user details
Source: MarketingSherpa, October 2005

074864

www.eMarketer.com

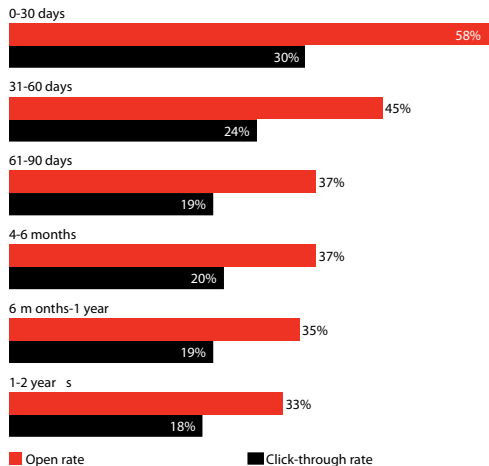
The same MarketingSherpa study found that when marketers give consumers control over how often they want to hear from the companies, they actually choose greater frequency. While these results might appear counterintuitive, the implication is that since an opt-in list by itself is defined as those interested in a company's products or services, they'll want to hear from the company. The secondary implication is that companies do better when they give their e-mail recipients the choice of how frequently they want to receive e-mails, since they will tend to open the door more often than the company might expect.

Giving list recipients high control over sales offers also goes along with the potential of e-mail word-of-mouth, where relinquishing control becomes a defining issue.

Some say recency—ie, how long ago a customer purchased something or otherwise engaged with a company or web site—is the primary predictor of future behavior. As Jim Novo, a web analytics expert, wrote, “The more recently a customer has done something, the more likely they are to do it again. Recency can predict the likelihood of purchases, logins, game plays, just about any ‘action-oriented’ customer behavior.”

From the e-mail list point of view, focusing a promotion on those users with newer records (greater recency) offers better results than an across-the-board blast mailing. For example, compare the 30% CTR for users whose listing is 30 days or less to the 19% CTR among those whose records are 61 to 90 days old.

Effect of Age of User Record on US Commercial E-mail Open and Click-Through Rates, 2005



Source: InformZ for MarketingSherpa, October 2005

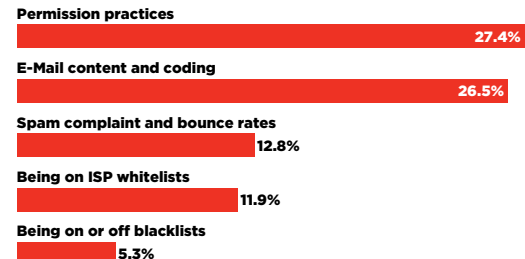
075309 www.eMarketer.com

Building a list is, of course, an ongoing challenge. According to 32% of the US e-mail marketers surveyed by Skylist, list turnover (ie, addresses churning and going bad) is the greatest challenge right after deliverability. Of course, turnover also affects deliverability.

Since 32% of US Internet users have three or more e-mail accounts, the problems from list turnover become even more pronounced.

One key problem with deliverability—the key challenge—derives from how companies build their lists. Since 27.4% of marketers told EmailLabs, a Menlo Park, Calif.-based e-mail technology firm, that permission practices are the main factors that impact e-mail deliverability, the flip side—full and clear opt-in for address gathering—becomes essential. It is not just ethical, it is practical.

Factors that Impact E-mail Campaign Deliverability Most according to US E-mail Marketers, 2006 (% of respondents)



Source: EmailLabs, April 2006

072285

www.eMarketer.com

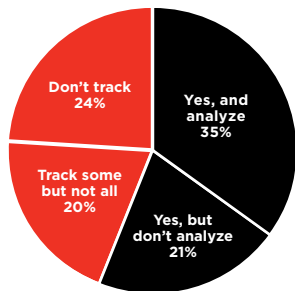
One reason that some e-mail marketers embrace word-of-mouth is that the marketing message is sent by individuals to individuals; therefore, the deliverability problem of commercial e-mails being filtered out is bypassed.

There's little question, too, that deliverability is a growing problem. A recently released study from Return Path, a New York-based e-mail marketing company, found that 20.5% of permission-based e-mail was not delivered worldwide in the second half of 2005.

The challenge of non-delivery is significant, according to 30.5% of US e-mail marketers surveyed by EmailLabs.

Besides list maintenance (ie, list hygiene), tracking the source of e-mail list growth can help marketers in further list-build efforts. However, only 35% of e-mail marketers both track and analyze such growth, according to Silverpop, while 44% either track some (but not all) or don't even bother to track where addresses come from.

E-mail Marketers Worldwide Who Track the Source of E-mail List Growth, 2005 (% of respondents)



Note: n=321 (65% in US; 18% in the UK and Europe)
Source: Silverpop, May 2006

074858

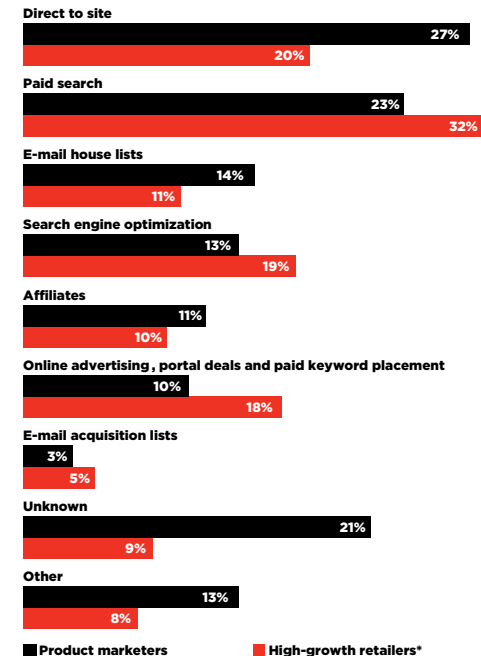
www.eMarketer.com

Next to paid search, an in-house e-mail list is the main marketing method for driving web site traffic, according to product marketers and retailers surveyed by MarketingSherpa.

But in looking to make the most of their lists, and build them with qualified customers and prospects, too many marketers ignore certain best practices, according to EmailLabs. Here are two key ones: One, 74.9% of messages fail to provide a forward-to-a-friend link, a central element in e-mail word-of-mouth. And two, 72.9% don't contain a subscription link, which when e-mails are forwarded—even without suggestion—would allow the interested recipient to sign up for a marketer's list.

E-mail's place in word-of-mouth marketing means giving consumers the chance to talk about your company's products, services or brand. But it seems from these EmailLabs results that too many e-mail marketers are ignoring the most fundamental steps to encourage that talk.

Sources of Web Site Traffic for US Product Marketers and Online Retailers, 2006 (% of respondents)



Note: *defined as retailers with 10%+ growth per year in total orders, regardless of profitability
Source: MarketingSherpa, April 2006

072184

www.eMarketer.co

Search Marketing: Coming Out On Top

by DAVID HALLERMAN, Senior Analyst, eMarketer

April 2006

First Page or Bust!

According to iProspect's "Search Engine User Behavior Study," search marketers should strive to get their natural results as high as possible on search return pages; 62% of search engine users click on links returned within the first page of search hits. A full 90% of users click on hits within the first three pages of search results.

Number of Results that US Search Engine Users Viewed before Clicking on One, 2002, 2004 & 2006 (% of respondents)

	2002	2004	2006
Only a few	16%	24%	23%
The first pages	32%	36%	39%
The first two pages	23%	20%	19%
The first three pages	10%	8%	9%
More than three pages	19%	13%	10%

*Note: n=2,369
Source: iProspect, April 2006*

072039

www.eMarketer.com

Searchers Seldom Wander Deep into Results

“The message to marketers should be clear, and the implications obvious,” said Robert Murray, president of iProspect. “If your site is not found on the first page—or within the first three pages of search results—you might as well be putting up a billboard in the woods.”

Search placement not only affects click-through behavior, it seems to have an effect on attitudes as well. Among search engine users, 36% believe that the companies whose web sites are listed at the top of the search results are also the leading brands.

US Search Engine Users Who Equate Top Positions in Search Results with Brand Quality, 2002 & 2006 (% of respondents)

	2002	2006
Agree	33%	36%
Neutral	-	39%
Disagree	67%	25%

Note: n=2,369; respondents were asked whether they agreed with the following statement - “Seeing a company listed among the top results on a search engine makes me think that the company is a top one within its field”
Source: iProspect, April 2006

072039

www.eMarketer.com

“[Many] search engine users ascribe industry leadership to those brands within top results, and believe them to be leaders in their fields,” said Murray. “Clearly, this brand lift is a critical element for brand marketers. It not only reinforces the importance of being found in the top results, but also underscores the need for collaboration between online marketers and their colleagues in brand management, as search is clearly no longer just for direct marketers.”

The study also found out what happens when users don’t find what they are searching for:

- 41% change search engines or search terms if they do not find what they seek on the first page of search results
- 88% change engines or search terms if they do not find what they seek on the first three pages of search results
- 82% re-launch an unsuccessful search using the same search engine but with more keywords

“Marketers make six-figure investments in web sites without any consideration for how that site will attract an audience,” said Murray. “It’s time that companies that are refreshing, re-designing or launching a new web site to start with the end in mind. If no one can find it, no one will use it. It will be a wasted investment without a clear search strategy.”

Branding and Search for Online Travel

EXCERPT FROM *SEARCH MARKETING: SPENDING AND METRICS*

by **DAVID HALLERMAN**, Senior Analyst, eMarketer

August 2006

Search marketing's effectiveness is most measurable when its objective is for direct marketing. And while the prime intent for most search engine marketing (SEM) endeavors is still direct response, branding objectives and results are coming more and more into play.

Remembering that individuals often use search engines in the early research stage when shopping, and remembering as well that the objective of search links—whether paid ads or optimized organic listings—is to drive traffic to a Web site, brand marketers are finding that the search component complements their overall efforts. Some of that is as simple, and as essential, as enticing prospects to a brand's web site, where the actual marketing engagement takes place.

A 2004 study from the IAB and Nielsen//NetRatings found that the top listing on a search results page boosted aggregate brand metrics—such as awareness and intent to buy—by an average of 14% across six industries. Furthermore, that boost falls quickly as the listing drops, with little effect by only the fifth position. Furthermore, brand advertisers need to both bid on their brand’s name, as well as strengthen its natural search rankings. They cannot assume that just because the brand is theirs that the brand’s web site will rank at the top. That’s why, as reported in BusinessWeek in January 2006, E-Loan “bids on 3,000 variations of the brand name,” factoring in elements such as misspellings and other alternatives.

Protecting the brand against higher listings from competitors is still another rationale for brand bidding on trademarked keywords. However, as of March 2006, Yahoo! will no longer allow bidding on brand keywords by non-brand owners.

The growing connection between search and branding appears in the recent SEMPO survey, which found that the purpose of SEM for 62% of all advertisers is to increase or enhance brand awareness. As you drill down to the different responses between large advertisers (those with 500 or more employees) and small ones, prime purposes differ. You can see how 77% of large advertisers look to search for branding reasons, while 65% of small advertisers see search’s main reason as direct sales.

“A spike in search traffic in the wake of major media event with a heavy advertiser presence is a good indication that consumers are interested in the brands and specific products they saw advertised during the event.”

—Noah Elkin, Director of Industry Relations, iCrossing, February 20, 2006

According to the eMarketer Online Travel in the US report

The most commonly entered search terms are the brand names of the largest online travel agencies. This list is even divided between brand name search terms and generic search terms. Another finding is that the word “cheap” as a generic term appears eight times, five times associated with airline fares, twice in reference to tickets and only once related to hotels. The brand with the most search entry variations is CheapTickets.com. There are four variations of this name among this top 50 list. In several instances a complete URL is entered as a search term, probably because in those cases the search window was mistaken for the URL window.

Whether higher ROI comes from sponsored or natural listings, the amount of revenue generated through search marketing is the most important tracked metric, as a WebSourced survey found.

Top 50 Search Terms that Drove Traffic to Online Travel Agencies, Four weeks ending May 6, 2006 (% of total visits)

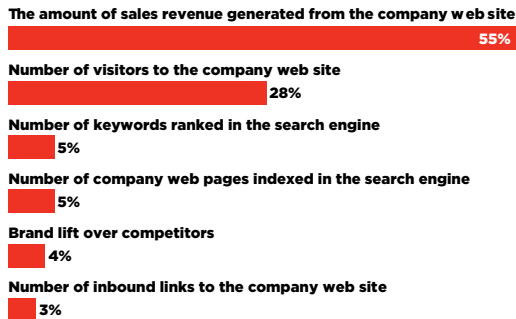
	% of total visits		% of total visits
1. travelocity	3.08%	26. Cheap hotels	0.25%
2. expedia	3.02%	27. plane tickets	0.25%
3. orbitz	2.56%	28. southwest airlines	0.24%
4. expedia.com	1.78%	29. ww w.travelocity .com	0.24%
5. airline tickets	1.54%	30. car rental	0.23%
6. cheap tickets	1.37%	31. cheap ticket s.com	0.23%
7. travel	1.27%	32. american airlines	0.22%
8. orbitz.com	1.05%	33. airfares	0.21%
9. priceline	0.94%	34. car rentals	0.21%
10. priceline.com	0.90%	35. cheap tickets	0.20%
11. travelocity.com	0.88%	36. airplane tickets	0.18%
12. cheap airline tickets	0.86%	37. united airlines	0.17%
13. hotels	0.72%	38. cheap plane tickets	0.17%
14. cheap flights	0.66%	39. cheap airfares	0.16%
15. cheaptickets.com	0.65%	40. rental cars	0.15%
16. hotwire	0.62%	41. air fares	0.14%
17. airlines	0.52%	42. ww w.cheapticket s.com	0.14%
18. a iffare	0.47%	43. apple vacations	0.13%
19. flights	0.43%	44. delta airlines	0.13%
20. cheaptickets	0.43%	45. airfare	0.13%
21. hotwire.com	0.41%	46. hotel	0.13%
22. cheap airfare	0.40%	47. kayak.com	0.13%
23. w ww.expedia.com	0.33%	48. ww w.pricelin e.com	0.13%
24. cruises	0.27%	49. las vegas hotels	0.12%
25. ww w.orbitz.com	0.26%	50. continental airlines	0.12%

Source: Hitwise, May 2006

073113

www.eMarketer.com

Most Important Tracked Metric When Implementing a Search Engine Marketing Campaign according to US Companies, January 2005 (% of respondents)



Source: Jupitermedia and WebSourced, January 2005
 070542 ©2006 eMarketer, Inc. www.eMarketer.com

“A strict direct marketing focus that only attributes online sales within a short window of time to the paid search campaign can prevent a company from remaining competitive over time.”

—Fredrick Marckini, Chief Executive Officer, iProspect, MarketingSherpa, March 1, 2006

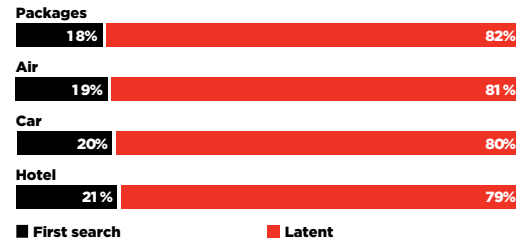
Steps along the way when looking to measure search marketing’s ROI include traffic generated, number of clicks, cost per click and customer acquisition costs.

Conversion usually occurs days or even weeks after travel planning. There is a strong latency effect tied to purchase that has important consequences to travel distributors and advertisers. Online travel planners who do book a reservation online in a majority of instances do not do so in their initial online search session. Instead, they book days or even weeks after their initial search session. Latent purchasing is common on the Internet and is not unique to the travel category.

“To fully measure ROI, marketers must consider the latent and offline value of any search marketing campaign.”

—TS Kelly, Vice President and Director of Research and Insights, Media Contacts, October 2005

First Search vs. Latent* Online Travel Purchases Made by US Internet Users, by Category, Eight weeks ending June 2005 (% of respondents who used search engines to plan travel)



Note: *occur days or weeks after the initial search session
 Source: comScore Networks Custom Research commissioned by Media Contacts and Yahoo! Search Marketing, October 2005
 067778 www.eMarketer.com

For most marketers, search has not yet hit the point of diminishing returns. But search marketing’s complexity means that as more companies put more dollars into these programs, any rush to implement programs will prove to be shortsighted. Successful campaigns will start with a clear outline of objectives—and not just for search ads or organic optimization, but how using search to increase web site visitors fits into an overall marketing plan.

While you undoubtedly know that search has a key place in your marketing plans, the link between keywords and your web site must constantly be sharpened. To drive traffic to a page that fails to connect with the keyword the user searched for is to toss away marketing dollars. However, since the usage of keywords evolves, and as elements such as new brands or product categories come on the scene, the link between ad and page must change as well.

The Future of Online Travel

EXCERPT FROM ONLINE TRAVEL IN THE US:
PURSUING CUSTOMER LOYALTY

by **JEFFREY GRAU**, Senior Analyst, eMarketer
August 2006

New marketing innovations—such as personalization and customization—can help companies stay ahead. The key to continued growth is to realize that it’s quickly becoming a buyer’s market, and sellers have to meet, and exceed, their customers’ needs. Companies are well-armed with new but often-overlooked technologies and methods that go beyond simple price search and travel reservation, a whole new paradigm will present itself.

PhoCusWright, a leading travel research firm, foresees a new era in online travel that it dubs “Travel 2.0”—the travel industry version of Web 2.0. As proof, PhoCusWright points to travel companies that are experimenting with a list of social network and communications technologies that include RSS, user-generated content, community creation, off-the-browser tools, bots and gadgets and wikis.

“As use of the Internet becomes second nature for travelers, they will expect capabilities well beyond simple rate search and reservations. These include features such as electronic folio access, virtual concierge and integrated trip planning.”

—Paul Chiu, Managing Partner, Accenture, April 2006

A Forrester survey from March 2006 found that most consumers have yet to catch up with new travel applications. Only 5% of bookers and 2% of planners, for example, use RSS. Consumers are also slow to adopt travel blogs: Only 4% of planners and 3% of bookers use them. And podcasts are used by 1% of planners, with bookers not using them at all.

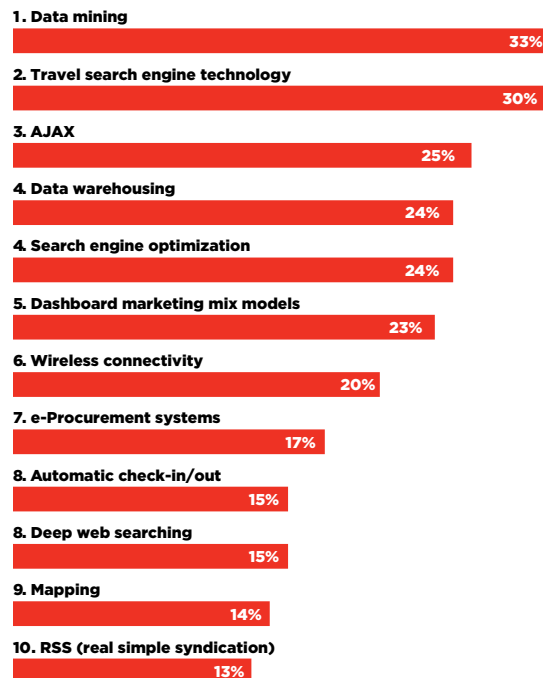
But Forrester found that a larger percentage of online travelers—30% of online business travelers and 27% of online leisure travelers—belong to emotive networks that help them plan and book trips. Emotive networks include discussion groups, blogs, user reviews and other forms of user-generated content or peer-to-peer content.

“Travel companies should be finding ways to harvest the power of social networks to fuel the next step in the evolution of online travel—the web itself.”

—Cathy Schetzina and Bob Offutt, PhoCusWright, April 27, 2006

When travel and tourism executives were asked by New York University and PhoCusWright in fall 2005 about which technologies will have the greatest impact on the travel industry over the next five years, RSS was ranked last (13%) and blogs and podcasts did not even make the list. Instead, these executives put more faith in such technologies as data mining (33%) and search engine technology (30%).

Top 10 Technologies* that US Travel Executives Believe Will Have the Most Impact on the Travel Industry over the Next Five Years, Fall 2005 (% of respondents)



Note: n=95; *respondents were asked to pick three technologies
Source: New York University and PhoCusWright, January 2006

073269

www.eMarketer.com

In fact, blogs (40%) and podcasts (35%) were specifically cited by these travel executives as technologies that they expect will have the least impact on the travel industry over the next five years. This suggests there is an expectation gap between industry observers and players.

The Business of Blogging

EXCERPT FROM *THE BUSINESS OF BLOGGING: A REVIEW*

by **JAMES BELCHER**, Senior Analyst, eMarketer

August 2006

BLOGS! The oddly contracted version of the word “weblog” is seemingly everywhere. A new blog is launched every second. Despite being one of the hot marketing terms of the moment, blogs are read by only 14% of US Internet users. Moreover, businesses have been slow to enter a medium where ceding control is one of the ground rules, and well over 90% of businesses both large and small do not blog.

A handful of firms now blog publicly, taking advantage of this direct link to consumers. Firms with external blogs have shifted their focus from blog ROI to the brand building and PR benefits of the medium. Blogging for a public audience—especially for consumers—will become commonplace over time. There will soon be a generation of consumers for whom sharing information via social networks and personal blogs is second nature—and they can see through a sales pitch in a second. When looking for product information, these consumers will demand to be addressed in a direct tone, without the artificial, stilted language of traditional corporate communications. Marketers and PR professionals will need to add blog literacy to their skill sets.

A year ago, eMarketer looked at the business of blogging, and determined that blogs were a personal forum, a one-to-few medium, and were not practical for large businesses. Things have changed.

A growing number of businesses are moving beyond the blogging-as-sales-tool mindset, which hinders adoption. GM and Sun, large companies both, are blogging with a one-to-many voice that gives them some of the lowest-cost PR available. Although these blogs are written in a personal voice, they are not necessarily personal in nature. Instead, they cover product and strategy issues in a compelling, behind-the-scenes voice that is far more engaging than any press release.

These firms realize that a well-written blog post is more likely to be picked up and widely distributed than most press releases because of its voice. Press-release-speak is unnatural, whereas the voice used on effective blogs is straightforward and direct. Companies are also learning (sometimes the hard way) that monitoring blogs is now an essential part of brand management. It is not all joy and light in the blogosphere, however, and company criticism can grow and sharpen quickly. Companies have less time than ever to respond to negative buzz.

With this shift in blog usage, eMarketer believes that a majority of businesses will participate in blogging over time, as consumers come to expect an alternative to traditional corporate communications. Monitoring blog content is also vital for brand management.

“Blogging is cheap, it’s quick, it’s conversational, it’s easy, it’s natural. Which really means it’s hard for a company to do, because they don’t do natural things; ‘I can’t talk to my customer that openly!’”

—Steve Hall of Adrants

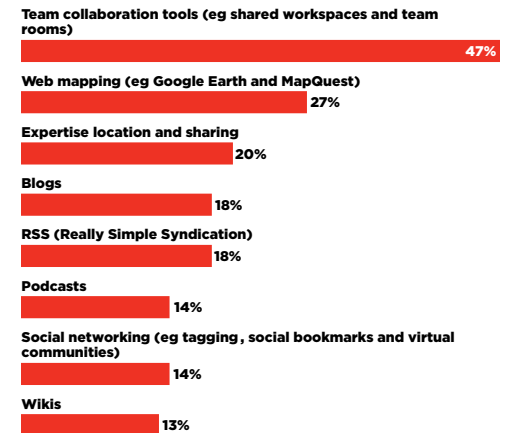
A May 2006 study by CIO Insight put the percentage of US companies which had deployed blogs at a more modest (but still noteworthy) 18%.

These numbers all contrast with hard counts of firms actually blogging. The word “blog” seems inescapable these days, and there is plenty of buzz around the term. Personal blogs now number in the millions, and some public-facing bloggers now wield considerable influence—and some even make money. However, when it

comes to businesses blogging, the reality is far behind the hype. A Socialtext site details the number of Fortune 500 firms that blog on an ongoing basis. The current tally: 5.8%. A 2005 eMarketer study put the percentage of all large North American businesses that blogged at 4%.

The percentage of large firms blogging has not changed much in the past year. Why is this? Why, when blogging is so hyped, and millions of individuals now have their own blogs, is corporate blogging so rare? PR firm Makovsky & Company recently

Web and Collaboration Applications Deployed by US Companies, April 2006 (% of respondents)



Note: n=141
Source: CIO Insight, May 2006
073363

www.eMarketer.com

commissioned Harris Interactive to find out. Harris Interactive asked 150 Fortune 1000 senior executives for their opinions on blogs. Only 30% of the respondents even had a thorough understanding of the term “Internet blog.” Many businesses may think that their discussion forum, e-mail newsletter, intranet bulletin board or other communication constitutes a blog.

More tellingly, almost eight in 10 respondents in the Makovsky-commissioned study believed that their company should have policies about company-sanctioned blogs—and 40% believed they should have policies about blogs that didn’t even have anything to do with the company (presumably being written by the firm’s own employees). These numbers suggest the main barrier to blogging for businesses: loss of control. After years of meticulous branding, carefully arranged PR messages and committee-developed corporate-speak, successful blogging requires ceding message control internally to a single, real voice, and externally to comments and to other bloggers whose feedback may not always be positive.

Robert Scoble, who until recently blogged notably about his employer Microsoft, spoke to Wired Online in July 2006 about why blogs can be so important, in a way that most marketers can easily understand: “Things that are interesting, people will pass around the Internet, around the world,” Scoble said. “And the blogosphere is only the tip of the iceberg. Underneath, there are a thousand conversations happening (unseen) for every one you see on the blogs. If you’re in business and you don’t understand how that word of mouth works, you won’t be able to take full advantage of it, how to get full adoption by getting that network to talk about you.”

It is important to note that since blog readership is relatively low overall, readership demographics are still being reported in aggregate, rather than for business blogs in particular or personal

blogs. That having been said, personal journals are by far the most-read type of blog content, according to a July 2005 study by Nielsen//NetRatings. Computers, technology and other business content ranked far lower. This is understandable considering the very small number of businesses currently blogging.

The same Nielsen//NetRatings study found that most blog site visitors tended to be white-collar or business owners.

Best Practices and Business Blog Profiles

Businesses that are still wrestling with whether or not to blog, may wish to choose from various levels of involvement.

Monitoring Blogs

Companies must monitor their brands on the Internet, and this includes blogs. Instances of blogs damaging brand images include Kryptonite in 2005, when video blog posts showed how to pick its locks with ballpoint pens.

As of November 2005, six in 10 companies were still not monitoring blogs, according to US marketers questioned by Reveries.com.

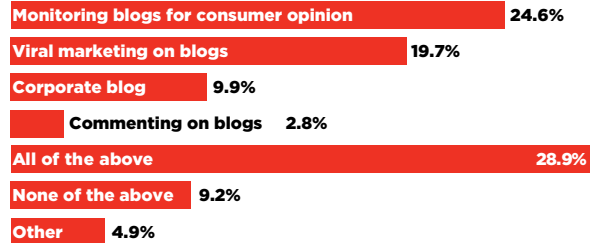
Even if their companies or clients did not have a formal blog-monitoring system in place, nearly two-thirds of US marketers in the same study were aware that their companies were mentioned in blogs. The remaining respondents either had not specifically looked for such mentions, or had not found any.

Work with Existing Bloggers

Businesses don’t have to have their own blogs to benefit from viral marketing opportunities. By working with A-list bloggers to encourage coverage and brand promotion, companies can get the

job done without blogging directly. Viral marketing is one of the main forms of blogging that interests US marketers, according to Reveries.com.

Forms of Blogging that US Marketers Envision in Their Marketing Plans, 2005 (% of respondents)



Note: n=142; respondents were asked to select all applicable responses
Source: Reveries.com, November 2005

069955

www.eMarketer.com

In providing content to blogs, text should employ the same respect for tone and forthrightness as would be needed if the company were blogging itself. On the other hand, third-party bloggers who identify themselves upfront as brand fans can serve as brand evangelists. By ceding control of content, and seeding the bloggers with exclusive news or other material, a company can reap blog marketing benefits without running its own blog. TheOneRing.net (<http://www.theonering.net>) tirelessly promoted the Lord of the Rings movies with the blessing and support of New Line Cinema. Similarly, First in Thirst (<http://firstinthirst.typepad.com/>), a Gatorade fan site in blog format, is condoned and even supported by Gatorade itself.

Create Your Own Blogs

Not every firm needs its own blog. Companies can focus viral marketing efforts directed at blogs without posting themselves. An ill-considered blog launched without goals or a specific audience in mind may do more harm than good.

“There is a real risk that the decision to establish a corporate blog could be made on a ‘me too’ basis, simply because other organizations, especially competitors, have made blogs available. This thinking is always a mistake, and we should never allocate resource to any project on such a basis.”

—Mike Thompson of Datamonitor’s Butler Group.

Still, half of US interactive marketers questioned by Forrester Research in April 2006 said that they either used or planned to use blogs.

The potential long-tail effect of blogging is what some of these marketers want. Even if a blog does not have millions of visitors, cultivating a niche readership that is passionate and influential can be more valuable for some firms than reaching masses of marginally interested consumers.

Firms that do blog, or employ a blogger, should consider specific goals when blogging:

- Create a community of interest around a product or service
- Complement traditional media efforts and connect with audiences on a deeper, more personal level with two-way interaction through comments or extended quoting when possible

“Opening up blogs to comments from customers inevitably will attract complaints and criticism. That’s OK. Consider it market research. Respond honestly, and watch your company’s credibility soar.”

—BusinessWeek Online Special Report: Web 2.0

eMarketer identified examples of three blog types which merited a closer look: corporate blogs, product blogs and sponsored blogs.

ADDITIONAL RESOURCES

As the worldwide leader in web analytics, WebTrends offers a full range of educational resources to help ensure your long-term success. Be sure to check them out at webtrends.com

WEBTRENDS RESOURCE CENTER: An extensive library of educational guides, white papers, case studies and other resources for travel organizations, many of which are authored by industry experts, are waiting for you to explore in the WebTrends Resource Center and Travel Center.

WORLDWIDE CONFERENCES AND SEMINARS: WebTrends regularly conducts short seminars and in-depth industry conferences worldwide and has educated more than 12,000 people in 60 countries across 6 continents. Watch our web site to see where we will be next.

WEBTRENDS USER GROUPS: With user groups in more than 25 cities, this is your opportunity to meet with colleagues and share best practices. Check for a city near you.

TRAINING AND CONSULTING SERVICES: WebTrends also offers a full range of educational classes, training courses and strategic business consulting services to help ensure broader adoption of web analytics across your organization and accelerate your return on investment.

RESOURCES FROM TRAVEL INDUSTRY ASSOCIATION OF AMERICA (TIA) :
Travel Insights - U.S. Travel Industry in the Eye of the Storm
Travelers' Use of the Internet Report - 2005 Edition

EMARKETER REPORTS:

Online Travel in the US: Pursuing Customer Loyalty
Online Ad Targeting, May 2006
E-Mail & Word-of-Mouth: Connect with Your Best Customers
Search Marketing: Spending and Metrics
The Business of Blogging: A Review

ABOUT THE EXPERTS

DR. SUZANNE D. COOK is the principal author of many Travel Industry Association of America reports, the editor of Travel Insights and the online TravelCom Report. *Travel Agent Magazine* named Dr. Cook as one of the 200 most powerful women in the travel industry and TTRA has awarded her its highest and most prestigious award, The Lifetime Achievement Award.

GEOFF RAMSEY is co-founder and CEO of eMarketer. An expert on e-business trends, he frequently keynotes at major marketing-industry events and is frequently quoted by the business and trade press.

DAVID HALLERMAN is a senior analyst at eMarketer whose expertise in the online advertising arena includes e-mail, search, ad targeting and video marketing. He is widely quoted by business and trade publications.

JEFFREY GRAU a senior analyst at eMarketer, researches and authors reports about various aspects of online travel and Internet retailing. He is a sought-after thinker in the e-tailing arena.

JAMES BELCHER, an eMarketer senior analyst, specializes in blogs, online gaming and other aspects of emerging media.

About TIA

The mission of the Travel Industry Association (TIA) is to represent the whole of the U.S. travel industry to promote and facilitate increased travel to and within the United States. TIA serves as a voice and resource for all components of the travel industry with the following objectives:

- Promote a wider understanding of travel and tourism as a major industry that contributes to the economic, cultural and social well-being of the nation
- Develop, coordinate and implement the industry's umbrella marketing efforts to promote travel to and within the United States
- Enhance TIA's position as the authoritative source for travel industry information and research of the industry as a whole
- Pursue and influence policies, programs and legislation that are responsive to the needs of the travel

About eMarketer

eMarketer is "the First Place to Look" for market research, analysis and trends related to e-business, online marketing and emerging technologies. eMarketer's core expertise lies in researching and sorting vast amounts of publicly available information, and objectively compiling and analyzing this information into reports, articles and newsletters. Our information products help business executives worldwide make smarter, faster decisions about online marketing, emerging technologies and e-business. eMarketer aggregates and analyzes data from over 2,000 sources and brings it together in a suite of services offering customers the most comprehensive compilation of up-to-date e-business and online marketing statistics in the world. Visit www.emarketer.com for more information.

About WebTrends

As the acknowledged global web analytics market leader for more than 12 years, WebTrends is leading the way in Marketing Performance Management. With an uncompromising focus on delivering the most accurate and actionable metrics, WebTrends enables thousands of web-smart organizations to improve campaign performance, web site conversion, and customer relationships. More than half of the Fortune and Global 500 rely on WebTrends as their trusted standard for award-winning technology, consulting services and industry expertise across the broadest range of vertical markets. Through software and on-demand options and a full range of data collection methods, WebTrends meets any analysis objective with accuracy, privacy and security best practices.



Distribuidor no Brasil
CLM Software
Av. Ibirapuera, 2120 Cj. 95
Tel.: 11 21 CLM CLM (11 2125-6256)
Fax: 11 2125-6298
www.clm.com.br

www.webtrends.com.br