

FIRST.

Searching for Accommodation Online

Which websites are maximising their market share?



Calculating share of search

- Rankings Based Reach (RBR)* provides a simple way to compare a website's search engine rankings with its competitors.
- RBR is an estimate of the percentage of available search traffic a website will receive for a set of phrases – this gives the sites share of search or reach.
- It is weighted based on the popularity of each search phrase and the relative click through rate (CTR) of each ranking position.

*Source: Rankings Based Reach (RBR) is a methodology developed by FIRST



Selected sites

The following New Zealand accommodation sites were selected for Ranking Based Reach (RBR) organic search performance analysis.

Sites
aatravel.co.nz
agoda.com
bookabach.co.nz
booking.com
expedia.co.nz
holidayhouses.co.nz
travelbug.co.nz
tripadvisor.co.nz
trivago.co.nz
wotif.co.nz



What are people searching for?

In order to investigate which websites are leading in search FIRST researched frequently used accommodation -related phrases.

Search Phrase	Local searches per month
queenstown accommodation	6,600
taupo accommodation	6,600
rotorua accommodation	5,400
accommodation auckland	5,400
wellington accommodation	4,400
waiheke accommodation	3,600
christchurch accommodation	2,900
dunedin accommodation	2,900
hanmer springs accommodation	2,900
wanaka accommodation	2,900

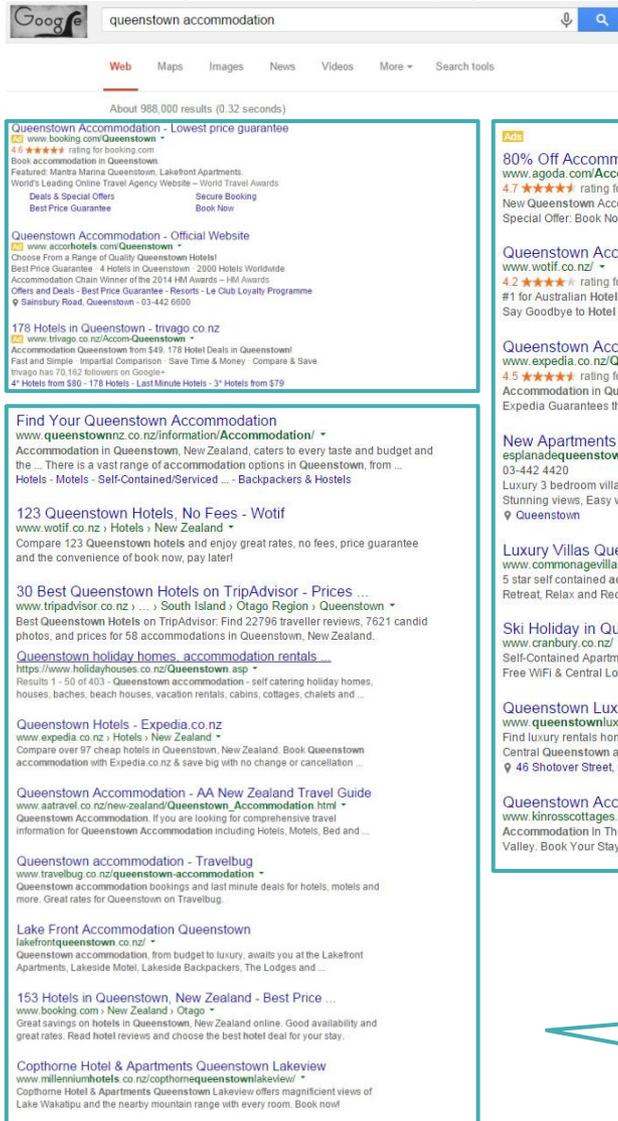
Search Phrase	Local searches per month
raglan accommodation	2,400
napier accommodation	2,400
kaikoura accommodation	2,400
coromandel accommodation	1,900
tauranga accommodation	1,900
cheap accommodation	1,600
hamilton accommodation	1,600
mount maunganui accommodation	1,600
accommodation nz	260
accommodation new zealand	110





Google: Search engine results page 1

What the consumer sees: The top of the Google search results page for a search on 'queenstown accommodation'



Booking.com and Trivago are ranking in the 1st and 3rd positions for the paid search results for the term 'queenstown accommodation'.

In the organic search results, majority of the analysed companies rank on Google's first page. Despite ranking well for organic listings, Wotif and Expedia are still investing heavily in paid advertising which allows them to dominate the first page with multiple listings.

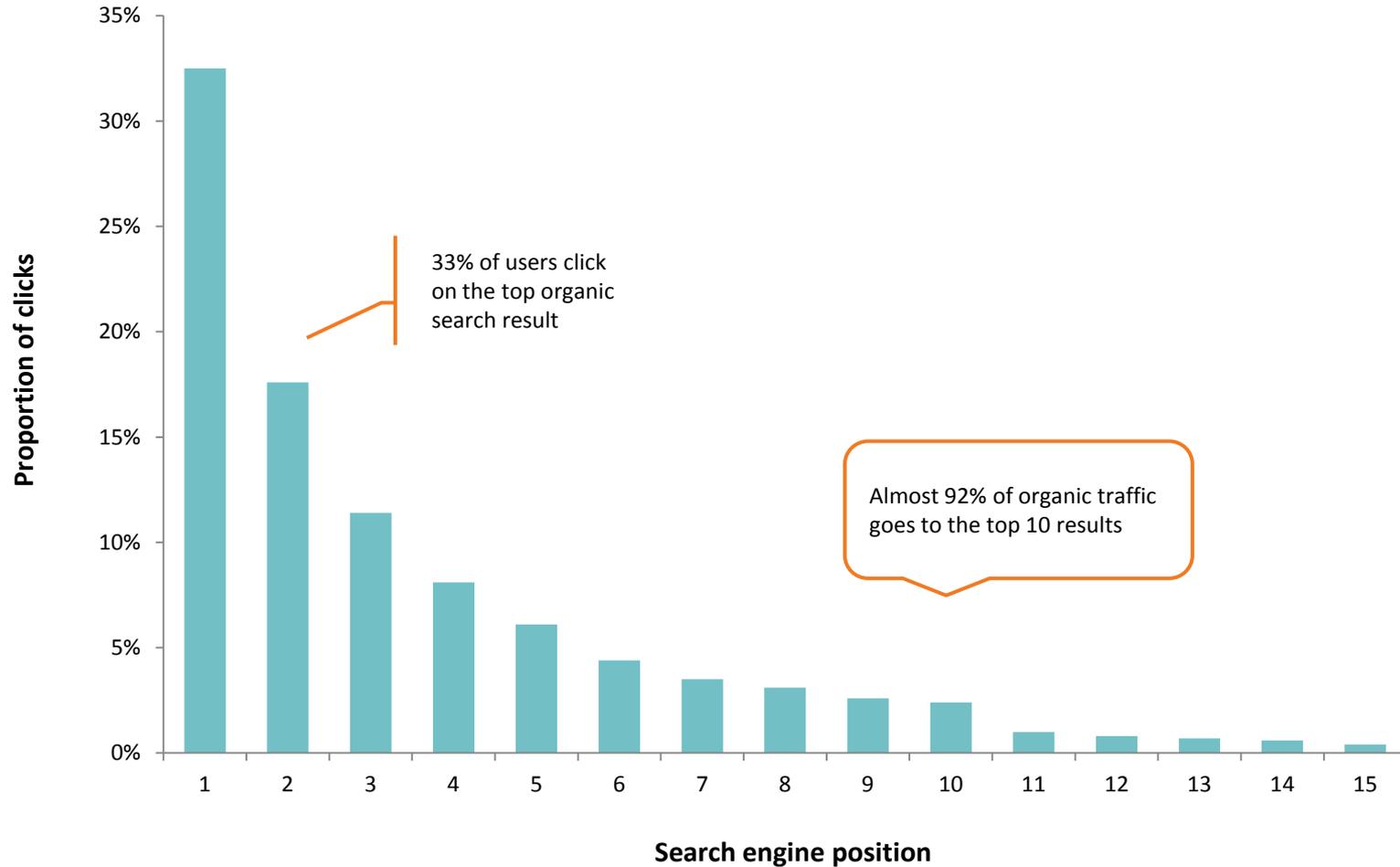
Paid search results

Agoda is also prominent in the paid search results ranking in the 4th position. In total there are 11 companies ranked for paid search. That represents the maximum number of paid search results for the first page. Given that, the accommodation market is highly competitive.

Organic search results



The importance of top rankings



Source: Chitika, 2013 (Organic Search)



Rankings Based Reach: Natural Search

There is an opportunity for most of the accommodation providers to compete by optimising for highly relevant and popular search phrases. By improving their RBR score, they will be able to seize opportunities to boost online sales revenues.



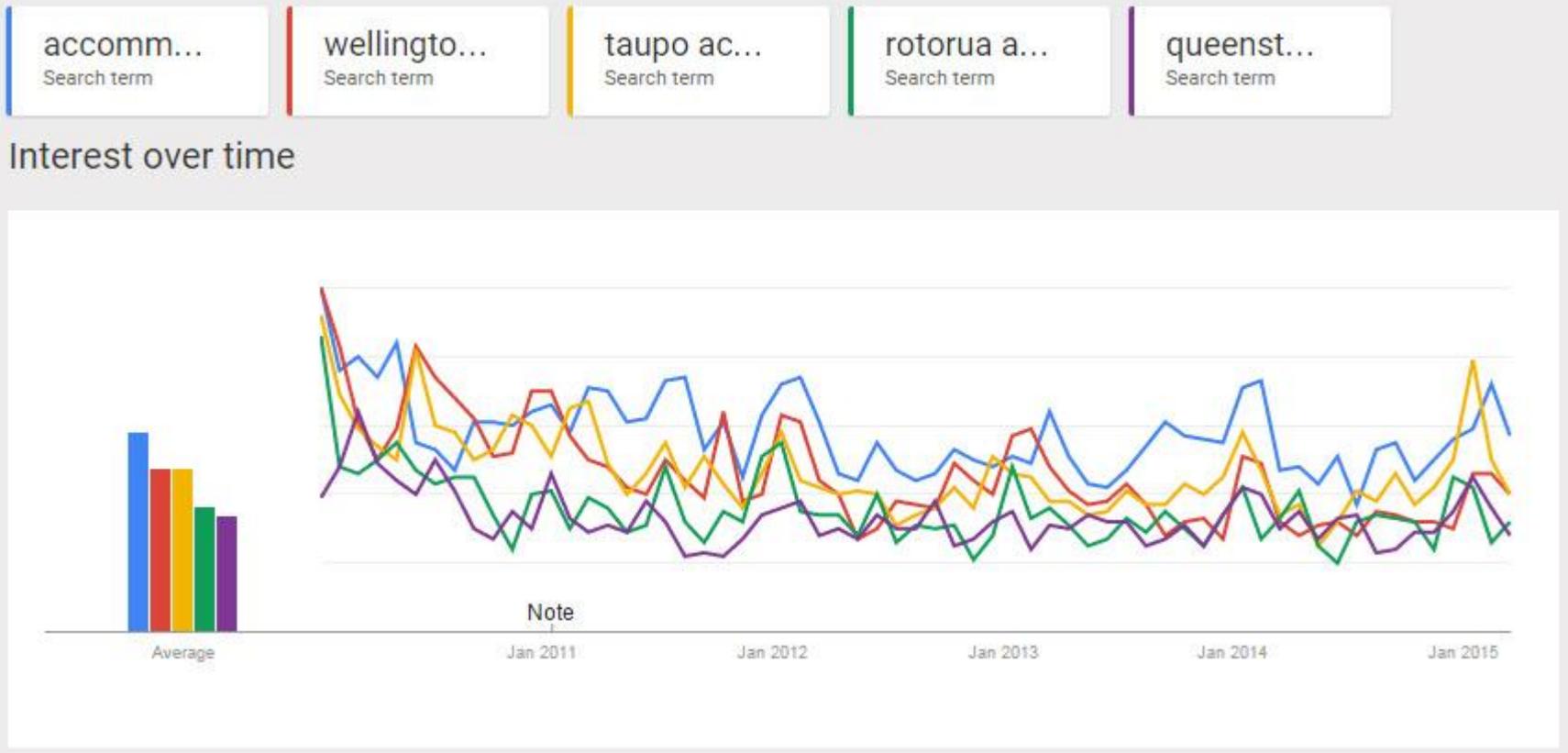
* includes all websites under the relevant domain name (e.g. including www.)

Source of ranking data: Google New Zealand, www.google.co.nz, Apr 2015

Search trends

This chart illustrates the search volumes for the terms 'accommodation auckland', 'wellington accommodation', 'taupo accommodation', 'Rotorua accommodation' and 'Queenstown accommodation' in New Zealand over the last 5 years in the hotel & accommodations specific category. The trend data suggest that there is consistently high search popularity for the mentioned key phrases among New Zealand customers seeking to book accommodations for their preferred travel destinations.

Accommodation providers therefore need to consider this niche consumer search behaviour in their digital marketing strategies to effectively compete online.

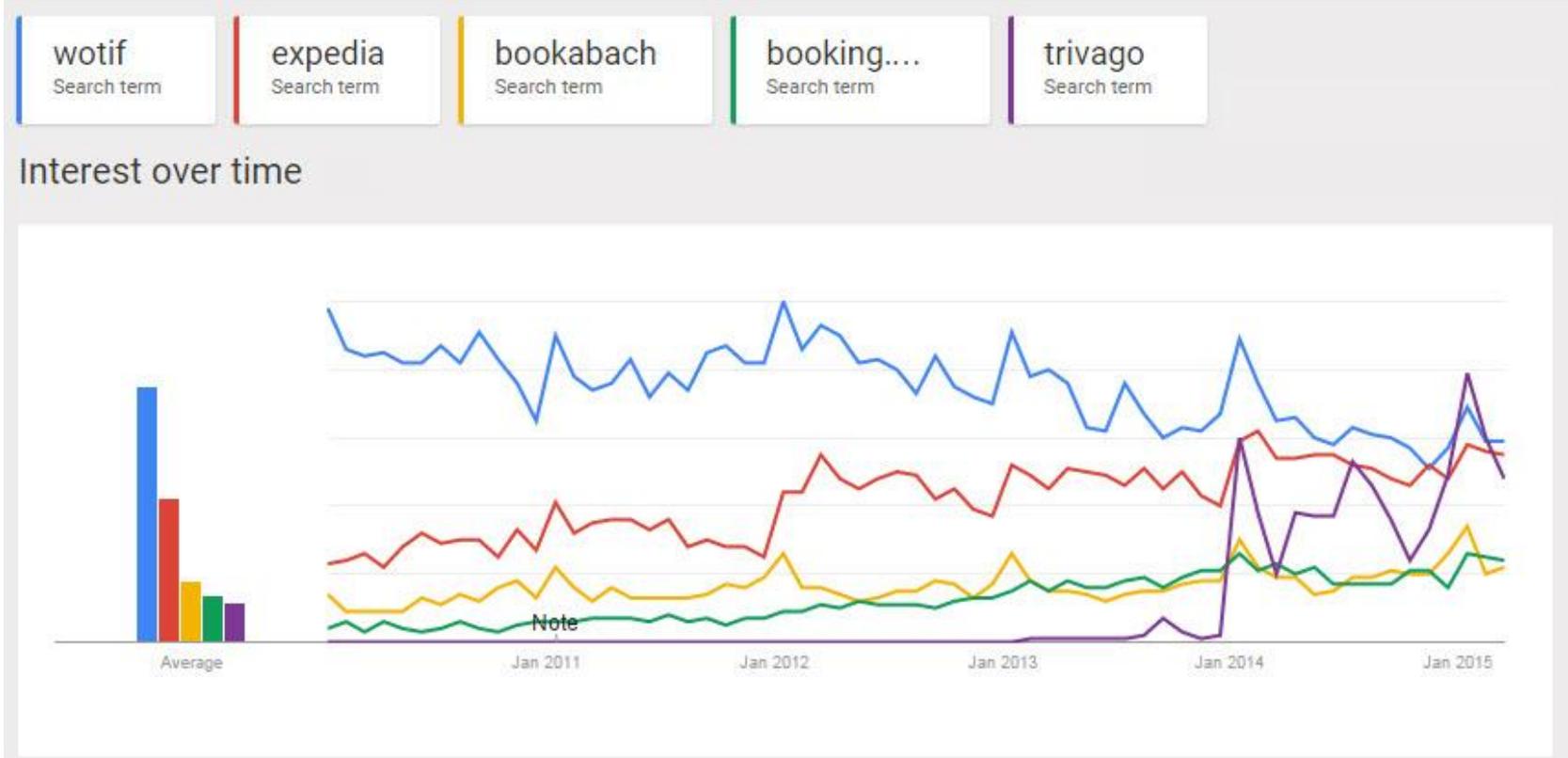


Graph source: Relative total keyword performance on a normalised scale of 1 to 100, Google Trends, New Zealand, Apr 2015

Brand search trends

The chart illustrates the brand search terms for accommodation providers in the hotels & accommodations specific category. The trend data shows that although Wotif is ahead of its competitors, it experienced a downward trend over the past 3 years. Expedia has been closely catching up and gaining popularity starting February 2014. Trivago showed a dramatic increase in December 2013 and was ahead of Wotif in January 2015. This significant uplift was due to Trivago “ramping up its marketing spend in Australia, Canada, US and NZ following early success with television advertising¹.” With nearly similar search volumes, Bookabach and Booking.com are lagging far behind its competitors.

To combat being left behind, runner-up accommodation providers need to drive consumer brand recognition via search, display, social and email remarketing campaigns.

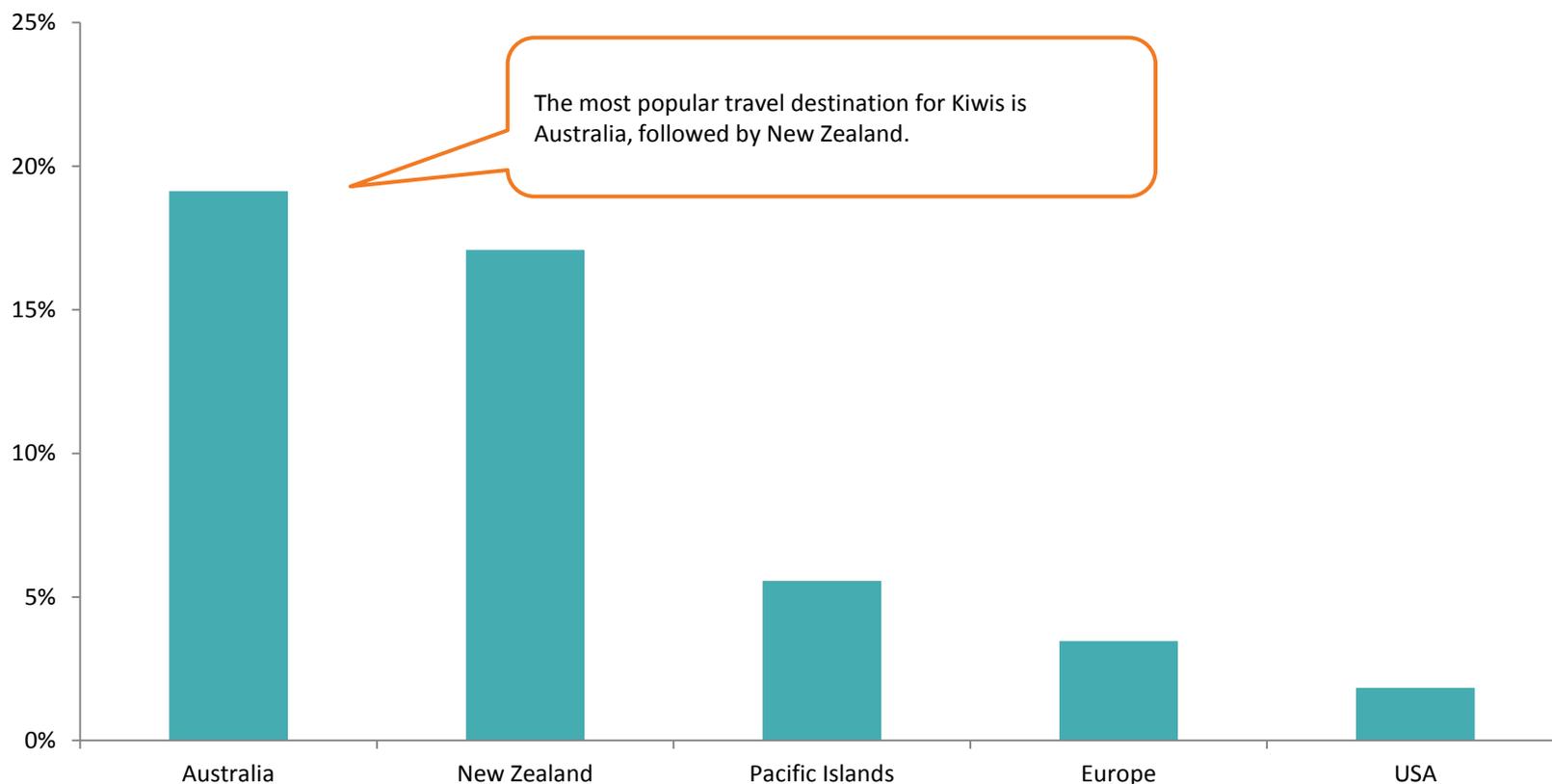


Source: Relative total keyword performance on a normalised scale 1 to 100, Google Trends, New Zealand, Apr 2015

¹Source: Trivago boosts Australian, NZ, US and Canadian Spend, Jul 2013

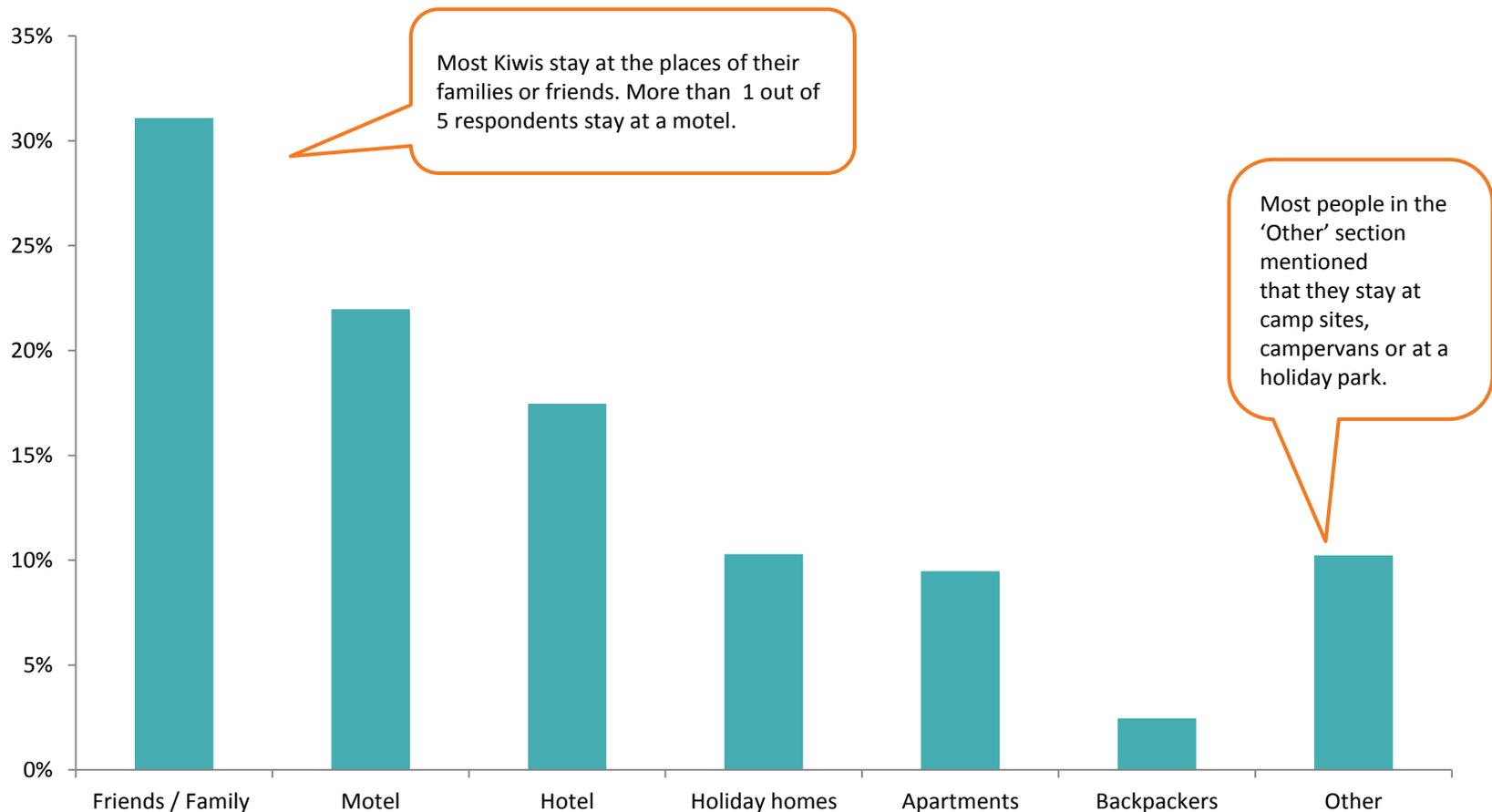
Consumer Research: Kiwis meet Kangaroo

Question 1: Where are you planning to go for your next Holiday?



Consumer Research: Where do Kiwis stay?

Question 2: What type of accommodation do you typically stay in?

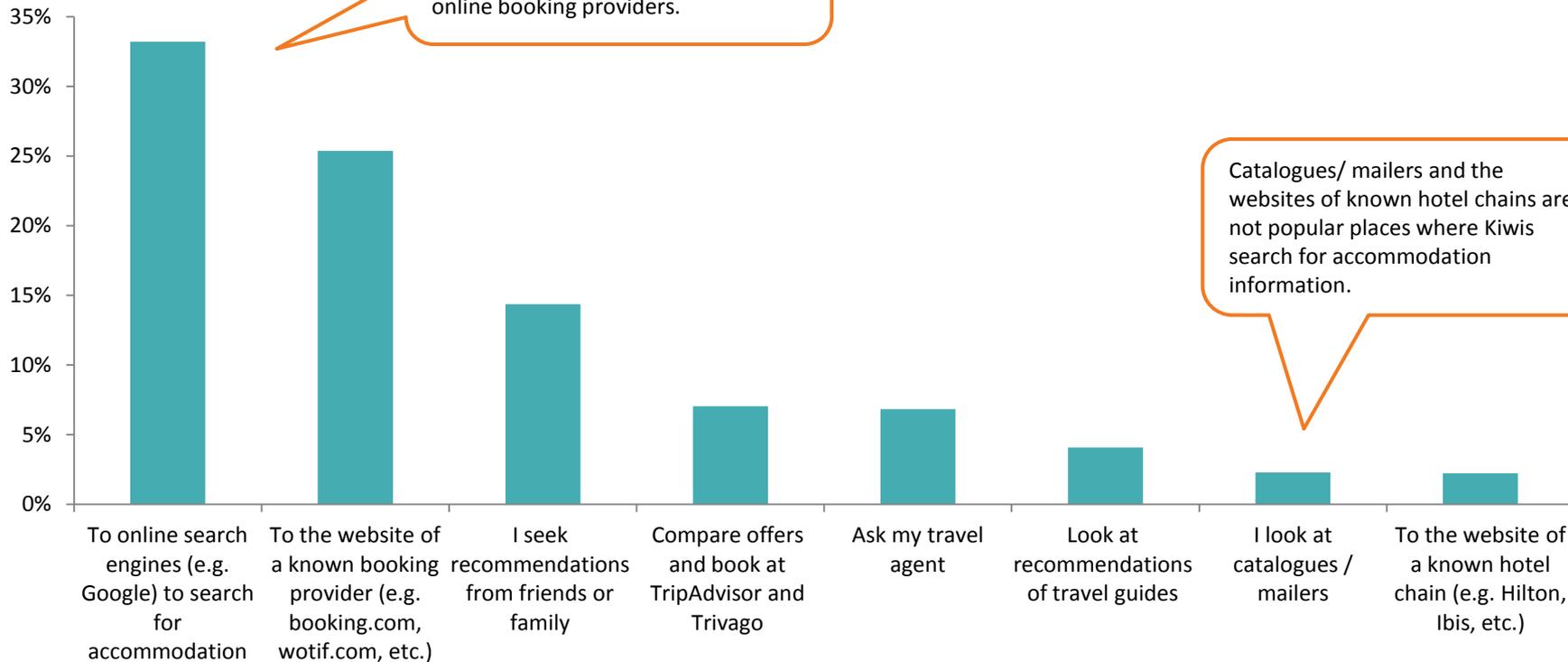


Consumer Research: 1 out of 3 Kiwis uses a search engine

Question 3: Typically, where is the first place you go to when searching for accommodation while travelling?

Online search engines is the first place Kiwis go to when searching for an accommodation, followed by online booking providers.

Catalogues/ mailers and the websites of known hotel chains are not popular places where Kiwis search for accommodation information.

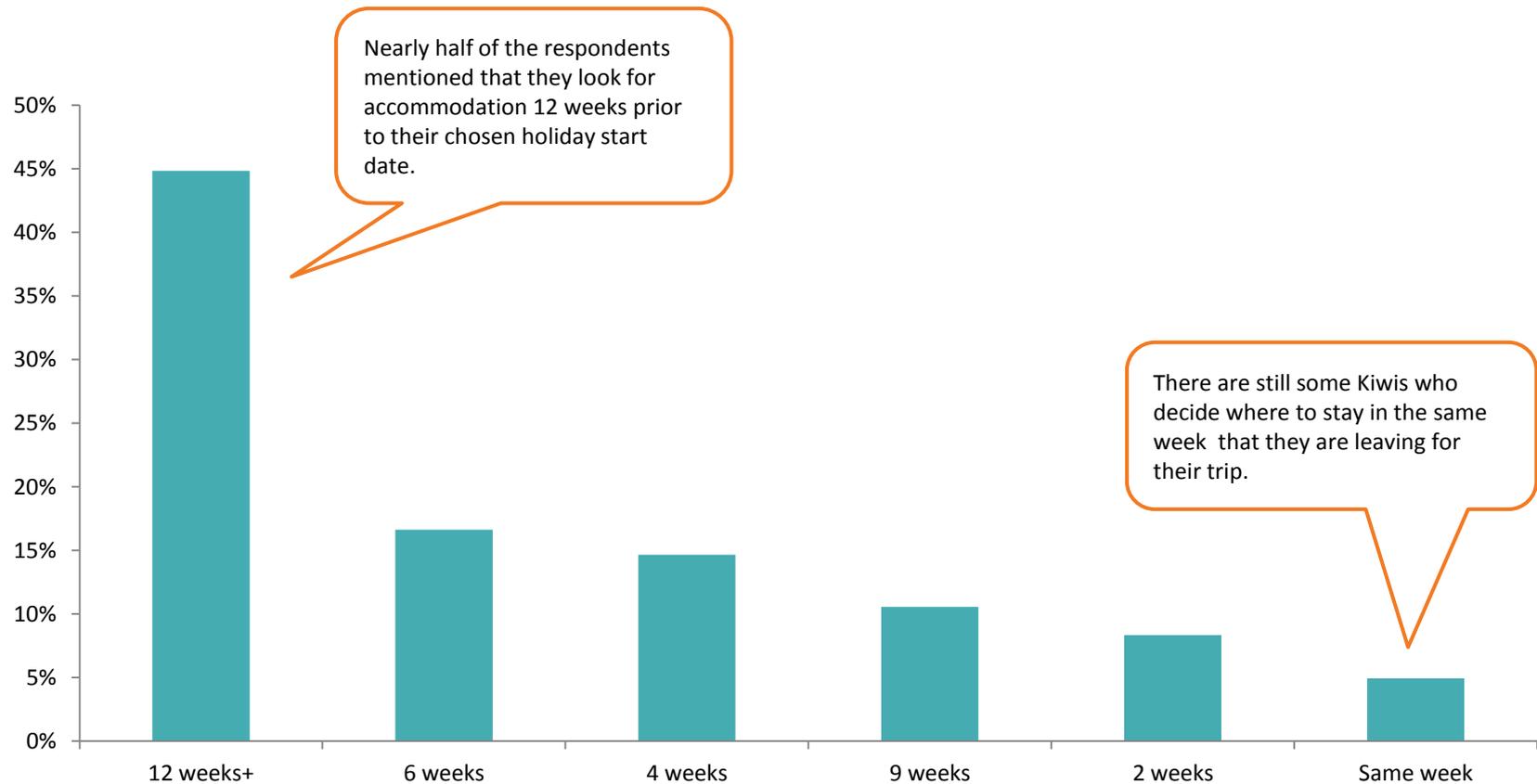


This representative survey was carried out by 3Di Research on the Great Sites platform, Oct 2014 (n=1,866).



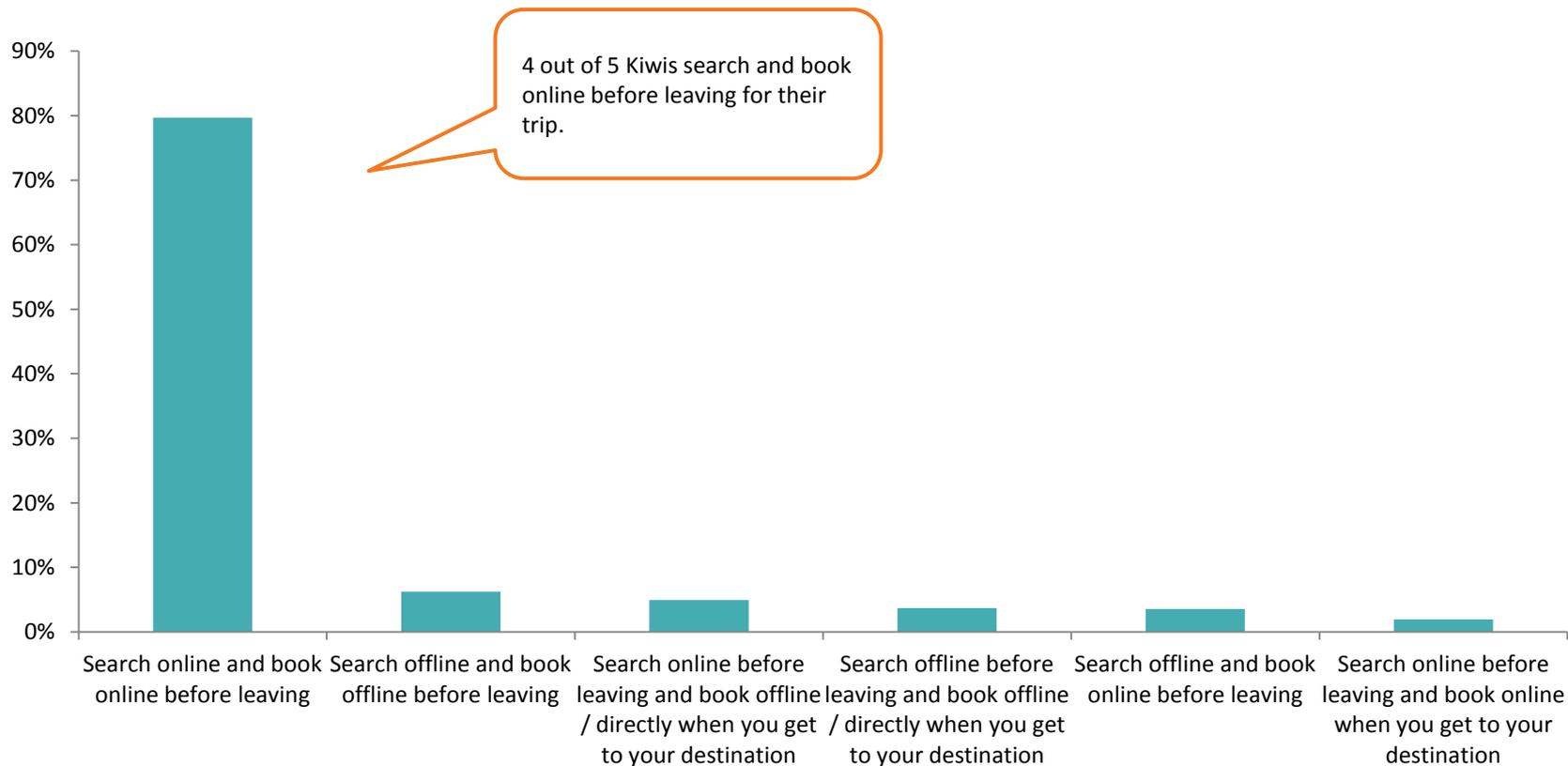
Consumer Research: When do Kiwis start looking for accommodation?

Question 4: Typically how many weeks out would you start looking at accommodation options?



Consumer Research: Searching & booking for accommodation

Question 5: How do you search and book your accommodation?





Accommodation– FIRST Insights



- Currently, Wotif stands out in the search landscape, capturing a big proportion of the demand thanks to prominent organic and paid search presence.
- In our consumer survey, 4 out of 5 Kiwis search and book online for their accommodation. This shows the importance of being visible in the digital space and providing great online customer experience.
- Based on a survey conducted last July 2013, “the trend for New Zealand guest nights show strong growth during the last year and is at an all-time high. Unadjusted national guest nights rose 8% and international guest nights rose 10% in July 2013 compared with July 2012. Nine of the 12 regions had rises, with the largest occurring in Auckland and Otago. The trend for North Island guest nights continues to grow and the trend for South Island guest nights has been rising since July 2012¹.”
- Majority of the analysed accommodation providers have low RBR scores, below 15%. There is significant opportunity for these companies to improve their RBR or search engine reach – for important and popular keywords in organic search.
- Search results are broadly dispersed among a wide range of competitors. In the competitive and margin-driven accommodation market, providers need to optimise the most cost effective marketing channel - search.
- **A well-executed digital strategy that integrates both organic and paid search should be a key customer acquisition and revenue driver for accommodation providers.**

¹Source: Accommodation Survey, The NZ Herald, Sep 2013



About FIRST.

FIRST is an award-winning team of smart Digital Marketers who have helped over 300 companies across 100 industries achieve success online. We help our clients to grow online sales, revenue and improve their ROI.

Our expertise in digital marketing has been built on over 15 years experience in digital strategy, analytics, conversion, search marketing and digital campaigns.

Get in touch to find out more...



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