



The traveler's search engine

Travel Search

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History of online travel

- **1996** Launch of Travelocity and Expedia
- **1999** Travelocity signs partnerships with AOL and Yahoo
- **2000** Expedia buys Travelscape
SideStep launched
- **2001** Travelocity expands relationship with Hotels.com
Orbitz launched by airline consortia
- **2002** TravelWeb created by hotel consortia
Starwood and IHG introduce best rate guarantee, others follow
- **2004** Yahoo acquires FareChase
Priceline purchases buys Travel Web
Kayak, Mobissimo and others enter the space

Industry buzz

"When we tried out the new travel search engines, we found their wide-ranging approach to be very effective at uncovering great deals...we pitted three new search engines against the Big Three in searches for four purchases. In every case, the former found the lowest prices. "

- *Consumer Reports*, March 2005

The opportunity

“60% of Internet consumers use a search engine in the research and buying process for travel”

– InsightExpress, July 2003

“70% of consumers who traveled in the past year found search engines important in the decision-making process”

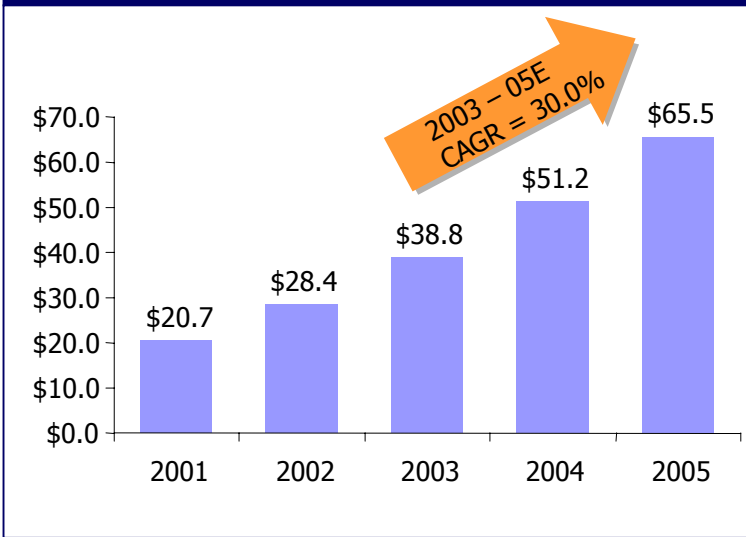
– InsightExpress, July 2003



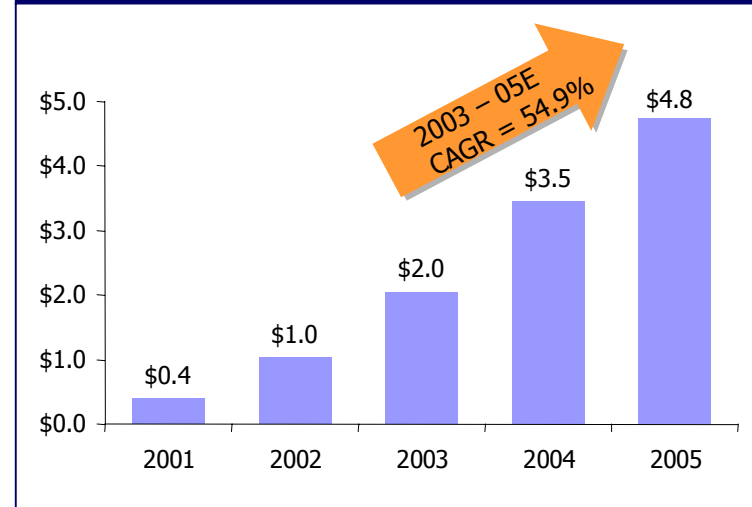
Market Opportunity

US Online Travel & Search

US Online Travel Market (\$B), 2001A-2005E



US Internet Paid Search Market (\$B), 2001A-2005E



- **Search engines a "must have" for consumers**
 - 115M Americans use search engines each month
 - \$4.8B (E) in 2005
- **Online travel huge and growing fast**
 - 64M U.S. consumers regularly use the Web to plan travel
 - \$65.5B (E) in 2005
 - Travel represented 40% of all U.S. ecommerce in 2003
- **Strong acceptance and growth of performance-based online advertising vehicles**
- **Travel accounts for 24% of all online advertising**

Travel Search Landscape

- **Introduced to the marketplace by SideStep in 2000**
 - Born out of changes in consumer behavior, available technology, and natural extensions of travel distribution
- **Allows a supplier to merchandise and market their products and services directly to the consumer**
 - Own the customer throughout the life cycle of the transaction
- **Yet another available channel to drive incremental traffic and bookings**
 - Opportunity to extend reach and brand in a cost efficient manner
- **SideStep continues to lead this sector**

How does it work?

- **Unlike online agencies, travel search or meta search sites are not merchants, as they *Search and Send***
- **Provide hotel offerings from chains, OTA's, and consolidators in aggregate**
- **Consumer enters city and dates and the search engine checks multiple sites for rates and availability saving consumers time.**
 - Meta-tags or XML
- **Consumer chooses by property or by provider and books on the brand or consolidator's website.**
- **Tracked by pixels or in the URL string**

Travel Search's Value Proposition

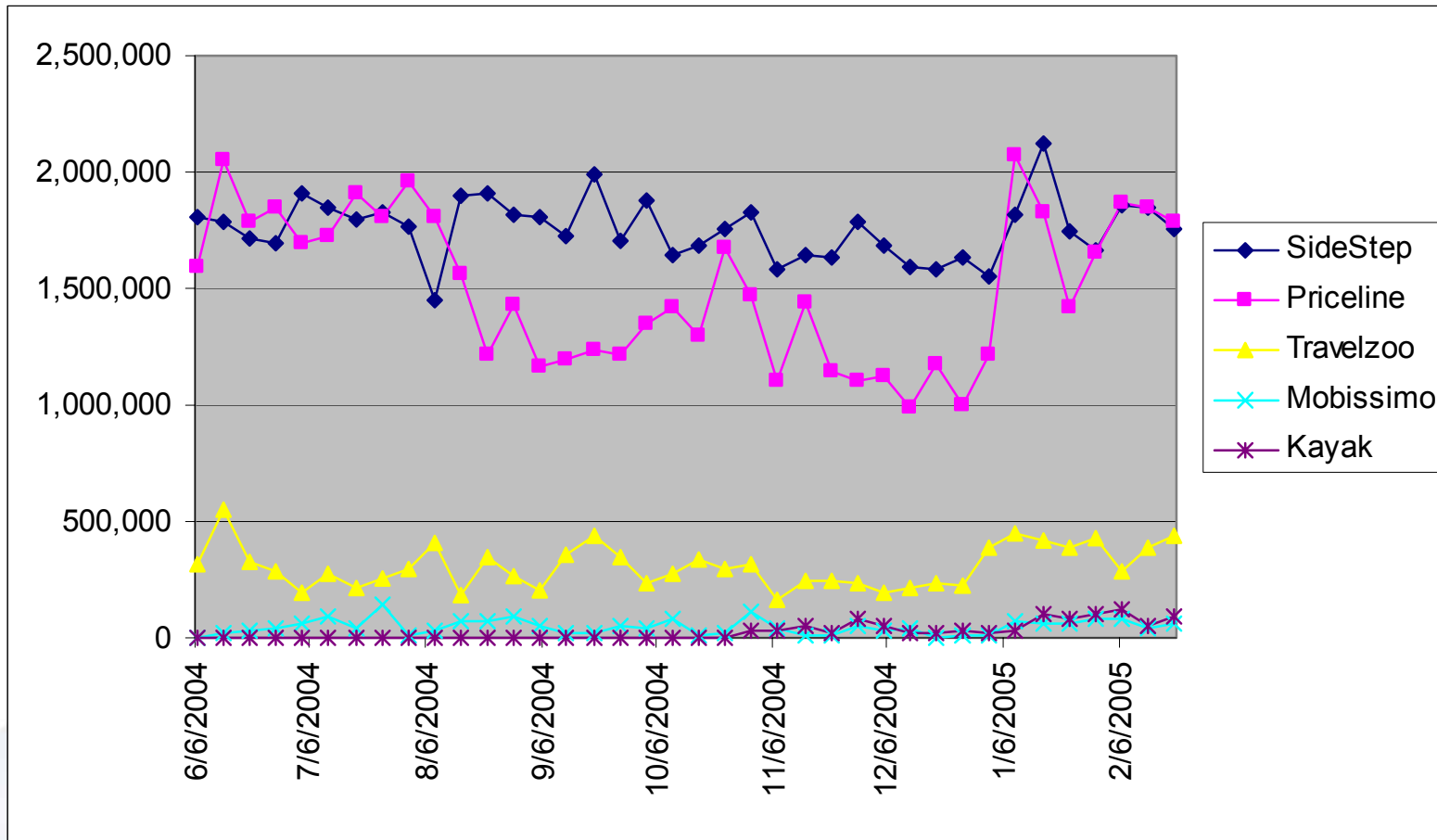
For Consumers:

- One stop shop comparison and shopping
- Finding compelling travel values
- Making informed purchasing decisions
- Organizing and simplifying the complexity
- Booking directly with brands they trust

For Suppliers:

- Access to new channels and driving incremental bookings
- Maintaining and increasing brand loyalty
- Ownership of customer throughout the transaction
- Merchandising their own products one to one
- Reducing distribution costs

Travel Search Traffic grows



Source: Nielsen/Netratings, April 2005

*Priceline is not in travel search, just used as a reference



Should you move forward with Travel Search

- **Look at the models**
 - Cost per Click (CPC)
 - Should be budgeted with advertising
 - Cost per Acquisition /commission (CPA)
 - Work with individual properties or vs. chain
 - Permission based or just screen scrapers
 - How will they get your content /rates/availability
- **Buy HEDNA's white paper on "meta- search"**
- **Be careful of anything for free**
- **Work with your chain and their IT group to make sure your servers can handle the additional "hits".**

Questions?



Thank you

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