



HEDNA's Spring Meeting Focused on Trends Impacting Electronic Distribution Now

LONDON, UK -- 30 June 2010 – From innovative uses of social media to how world affairs are impacting business, attendees at HEDNA's Spring Meeting gained valuable insights into the trends shaping the electronic distribution business now, underscoring the meeting's theme – Timing is Everything in Distribution. The meeting was held at the Hilton London Metropole on 28-30 June 2010.

Melanie Ryan, HEDNA president and Orbitz Worldwide, kicked off the meeting by announcing the return of key initiatives including HEDNA University, scheduled to be held August 19th in Omaha, and December 6th in Ft. Worth, as well as a series of webinars on key industry issues as identified by the membership.

Making use of the wealth of user reviews and customer web activity and turning the potential mess of information overload into personalized recommendations was the subject of the keynote speech by Eleanor Ford, founder and director of LikeCube Ltd. "We are experiencing exponential growth in data that can be used for purposes that we have never thought of before," she told attendees.

*Qype is a service that is putting user data to new uses. Its aim is to match a place you like, say a coffee shop, with other coffee shop possibilities posted by people that are very much like you.

*Qype epitomizes the trend of narrowcast rather than broadcast. Narrowcast focuses on explicit data geared toward the users' preference – Ford said this is a huge trend.

Hyper-targeting in advertising is an emerging trend, allowing for customized delivery of messages to customers, noted Ford. And we've only begun to tap into the many ways we can utilize mobile to deliver relative consumer information, said Ford.

Creating effective social media

Social media has progressed from a novelty to a necessity. But we're still learning to effectively use it. The Social Media in Electronic Distribution panelists had a lively discussion on the subject and generated many excellent tips.

It's critical to become part of the conversation with consumers in responding to feedback in social media, said Edward Perry, senior director of e-commerce at WORLDHOTELS. This is also true when you are trying to create buzz, he said.

Tracking down where people are talking about your company or product is important, noted Jakob Riegger, managing director of TrustYou GmbH. With the expansion of social media, there are quite a few channels that need to be monitored.

Find a good ambassador for your company, suggested Guillaume Thevenot, hotel trade relations manager at TripAdvisor. This would be someone who has a positive outlook on your product.

With so much being said in so many channels, should you respond to every comment? Yes, said Perry. You need to respond each one. But Riegger and Thevenot took a different tack. If resources allow and your response is authentic and adds value, then yes it's meaningful to respond.

While the social media connection has become a priority for hotels, is there any ROI in it? Social media is a necessary part of business now. ROI can be measured in various ways and one critical ROI that should be considered is the value in having higher engagement with your customers. It's not just the amount of heads in beds that is the sole gauge of success, said Perry. You've got to manage your brand by creating a sense of community and social media can help you do that.

Does social media need to mirror the look and feel of other marketing like a brand's website? Not at all. There's a knack in responding to social media and therefore it's fine to be a bit edgier in your social media marketing, panelists said. While we haven't seen the job title of social media manager yet at hotels, it is a position that is coming soon, Perry said.

The panel agreed that we are seeing a huge phenomenon caused by social media – leveraging the power of trust and sharing of opinions.

Challenges of merchandising online

With all the channels and competition for consumers' attention, how does your company get seen? According to the Merchandising and Marketing panel, visuals are very important. A company called SIXT has experimented with what it calls ASCII-Art to capture the attention of consumers. ASCII-Art is a simple line drawing that shows what a company is about, said Eric Ingrand, director of business development EMEA at 10Best Solutions.

Panelists emphasized that there are more lookers than bookers trolling the travel channels. About 83% of travelers visit three to five sites when researching hotels. And 80% of those travelers will start at an OTA website, not the brand's website. If you want to be seen, then you've got to be in many channels, said Gary Howes, account director at ebookers.com.

Further, travelers shop on value, not just price. "Price is important. In this economic environment no one is going to overpay," said Gary Howes. "We need to move the conversation over to value." Does attention capturing copy make a difference? You bet. "The first line of text that a consumer reads about your property influences consumer behavior," Howes said.

Good news from Q1 2010

The travel business is recovering from the dismal 2009 market, according to Vladimir Martinov, director, client revenue strategy, TRAVELCLICK. That's welcome news for the travel industry.

Looking at third party Internet reservations for Q1 2010, OTAs such as Priceline, Hotwire, Hotels.com and Travelocity showed increases over the same quarter in 2009. Expedia showed a robust recovery for the quarter at \$320-million compared to Q1 2009's \$220-million.

Martinov believes that RevPAR will rebound to the previous peak, but not all segments will recover at the same pace. Upper-Upscale and Upscale segments will be back to peak in 2013. Luxury and Midscale with food and beverage won't be back at peak until sometime after 2014.

Speaking up and looking ahead

HEDNA's first Speak Up forum was held in London and attendees left the session feeling very enthusiastic. Attendees were asked to talk about the Top 10 issues facing the industry. "The discussion was highly interactive with many viewpoints being heard, many of which will turn into strategic initiatives moving forward" said HEDNA President Melanie Ryan. Due to the success of this session, look for another Speak Up session at the next conference in Ft. Worth, Texas, 7-9 December 2010.

After much of the day spent looking closely at trends, Bronwen Maddox, chief foreign commentator of The Times, widened the focus to a global view. While we face uncertain times, uncertainty offers opportunities and we should look for them, she said.

Turning to terrorism, Maddox said that the aftermath of 9/11 and security concerns have made the last decade a very unusual one for the travel industry. Expect to see changes in many countries in the world as the 21st Century progresses.

She believes the US will become more inward looking. The Chinese people are gaining in wealth and the government is not in step with the wants and needs of its citizens. India isn't rising to its potential in the region. Troubled Greece likely will fail and be removed from the European Union (EU), said Maddox. Spain is a critical member of the EU and member governments will keep Spain going. The big bailout that was passed by the EU will create difficulties that will seriously affect the member states in the next three years. And, Maddox said, keep an eye on Russia.

The meeting was rounded out with active committee sessions (Group, Payment Technology, Standards, Tour, and UGI) and working groups. HEDNA President Melanie Ryan said, "Attendee interaction made this one of the better conferences, and there is tremendous value to the industry and to HEDNA members in gaining education and sharing news about the electronic distribution industry."

About HEDNA

The Hotel Electronic Distribution Network Association (HEDNA) is a not-for-profit trade association whose worldwide membership includes executives and managers from over 200 of the most influential companies in the hotel distribution industry. Founded in 1991, all of HEDNA's activities are intended to stimulate the booking of hotel rooms through the use of GDS, the Internet and other electronic means. HEDNA brings all segments of the hotel industry together to evolve systems and services into electronic distribution that is easy and efficient. Additional information on HEDNA is available by calling +1 202-204-8400 or by visiting <http://www.hedna.org/>

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