

TRAVELTRENDS™

Monthly travel insights from Compete

By Gregory Saks

META SEARCH MARCHES ONWARD

For the past year, conversations about online travel distribution have frequently included Meta Search. The emergence of the category raises questions about its role in travel purchasing: how many travelers are using it, how much will it grow, and how will it impact other distribution models? Compete has been studying the performance of the Meta Search category, and judging by the continued growth, it is here to stay. The category reached an all-time high in July with 6.2 million U.S. consumers using one of the engines, an 80% increase from a year earlier.

Seventy million consumers researched travel online in July 2006. While this activity remains dominated by Online Travel Agencies (attracting 48.5 million consumers), Meta Search's 6.2 million users represent a 9% reach among travel researchers. Growth has been rapid: in January 2005, the reach of the Meta Search category was a mere 3%. Meanwhile, consumers have felt less of a need to visit an Online Travel Agency; the reach of the OTA category has dropped from 77% in January 2005 to 69% in July 2006.

How large can Meta Search grow? Driven in large part by Kayak (300% growth in the past year) the category is becoming mainstream among travelers. If current growth rates continue, Meta Search will eclipse 10 million monthly users by the summer of 2007.

Reach Among Online Travel Researchers

Meta Search & Online Travel Agencies
(Q1 2005 – Q2 2006)

Quarter	OTA's	Meta Search
2005-Q1	75.9%	3.8%
2005-Q2	74.6%	4.9%
2005-Q3	73.5%	5.0%
2005-Q4	68.7%	6.3%
2006-Q1	71.4%	6.5%
2006-Q2	70.7%	7.8%

The majority of Meta Search usage is for flights. Airlines generate 1.9% of the traffic to their websites from Meta Search engines, compared

to Hotel Chains relying on the category for just 0.7% of their prospects. While both figures are small, prospects from Meta Search engines are valuable, booking at up to twice the average prospect conversion rate.

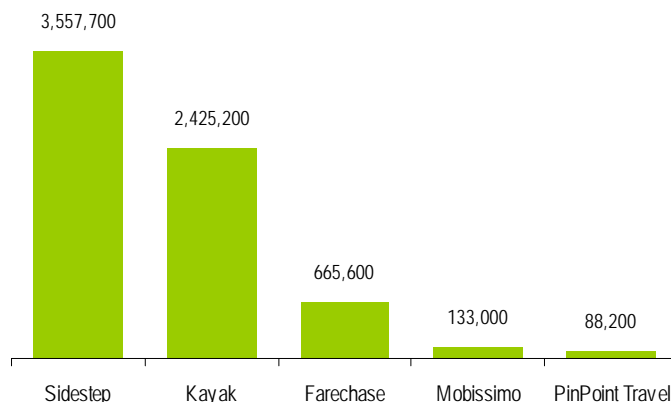
Travel suppliers (and agencies) looking to capitalize on the growth in Meta Search and draw in high-value prospects should focus their

attention on two players: Sidestep.com and Kayak.com. While other Meta Search engines are actively marketing themselves in the U.S., these two deliver the vast majority of leads to travel suppliers. 48% of all Meta Search leads come from Sidestep, and 46% come from Kayak.

With the category now at over 6 million users and emerging into an effective lead generation platform for suppliers, Online Travel Agencies must pay close attention to the evolution of Meta Search. Ramping up value-add services such as destination content and customer support features will be important for agencies to differentiate themselves. For suppliers that are still not listing themselves on Meta Search sites, the time to begin is now.

Meta Search User Volume

Number of visitors to the top 5 Meta Search engines (July 2006)



The names of actual companies and products mentioned herein may be the trademarks of their respective owners

Compete's Travel practice researches the entire online consideration and booking process for consumers, offering an unmatched level of insight into how travelers engage, cross-shop, and convert across all agency and supplier destinations.

To read the latest travel research from Compete and sign-up for TravelTrends™, Compete's newsletter for travel marketers, visit

www.compete.com/travel

Want more information on this analysis? Contact Compete at travelpractice@compete.com

