

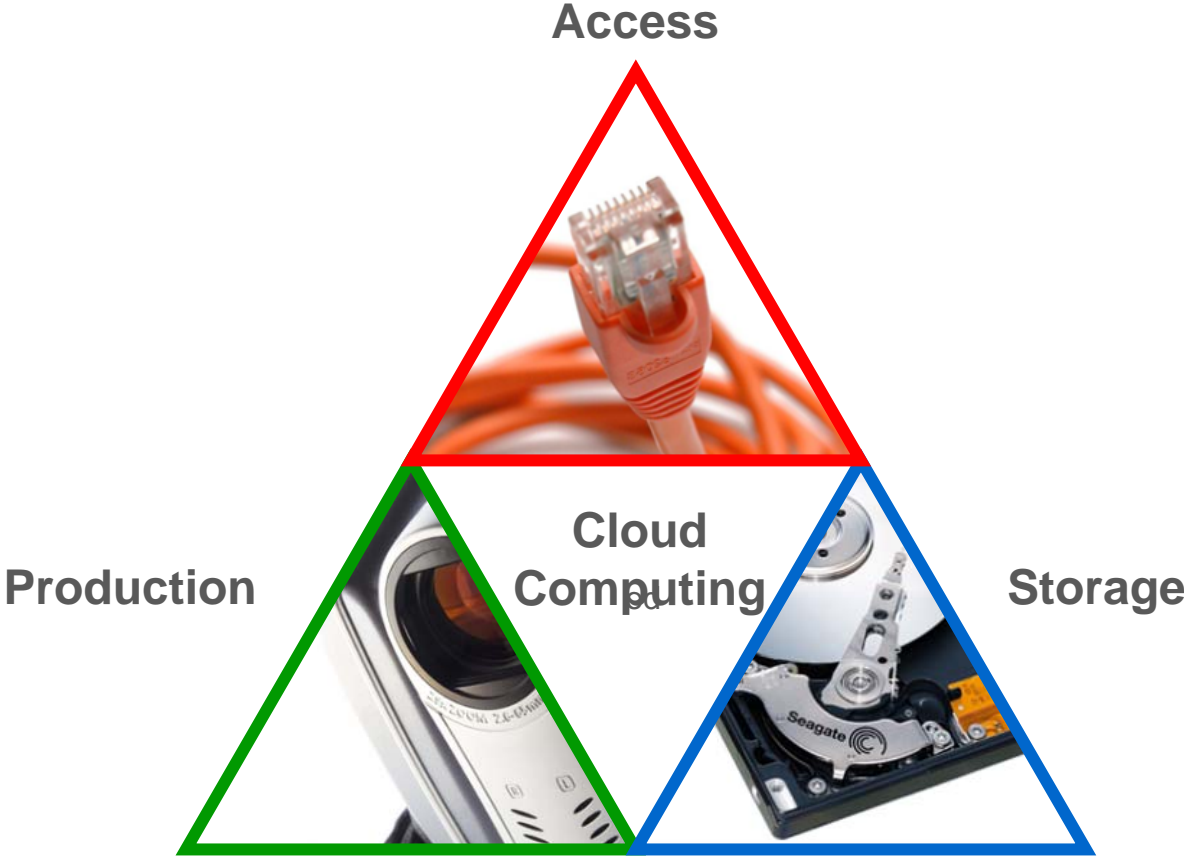


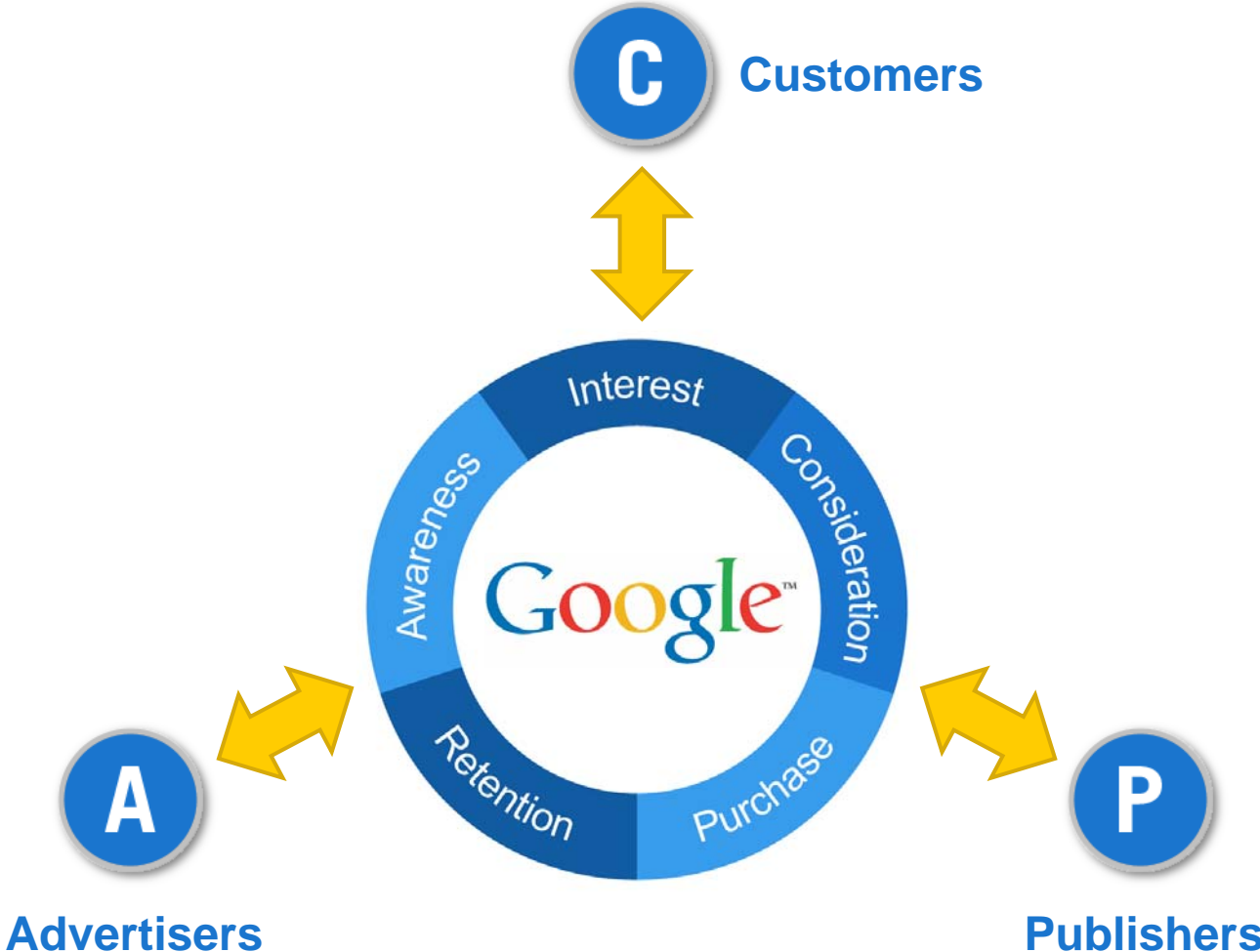
The PPC Search market: Travel

World Travel Market, November 2007

Daniel Robb
Industry Head – Travel

Four key drivers of web 2.0





Google Connects Users, Advertisers, and Publishers

The UK remains Google's leading major market on many indicators, with continued growth potential



Market	Total Population	60.8M	301M	82M	64M
	GDP Growth rate	2.8%	3.2%	2.7%	2.1%
	Internet user penetration (2010)	71% (86%)	64% (70%)	68% (85%)	62% (82%)
	Time spent online (hrs/wk)	6.9	6.8	5.5	5.2
	BB Penetration (2011)	55% (77%)	54% (69%)	39% (63%)	48% (64%)

Strong continued query growth prospects

UK Market indicators are strong vs other major markets

Still growth to come from further broadband penetration (forecast 22% further in next 4 years)

BB users spend twice as long online and browse 3.2X more pages online

Internet	eCommerce Spend (€bn)	44	168	16	12
	Spend per internet user (€)	1,475	974	511	498
	Internet share of ad spend (2010)	17% (25%)	6.4%	2%	6%
	Online ad spending growth rate	31%	27%	12%	24%
	Paid search €/per internet user	57	36	27	26

UK online and eCommerce indicators remain strong

Online advertising spend per user is \$147 in UK and is set to grow to \$217 by 2010 (vs. FR \$136, DE is \$15).

E-Commerce spend is high and growing

Paid search per user strongest of major markets

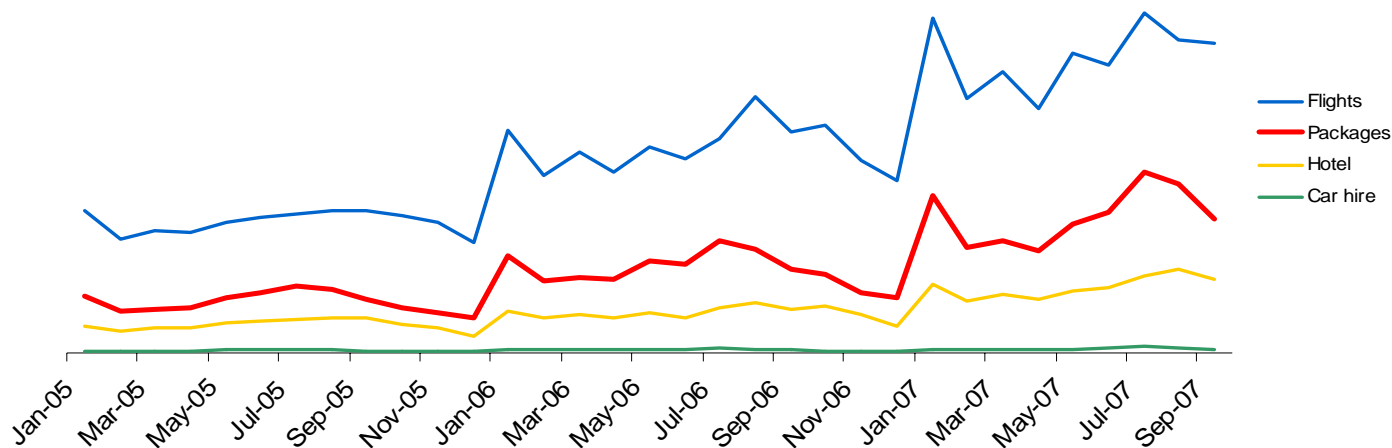
Sources: % Internet user population 2007 (2010); eMarketer report (EITO); BB Penetration 2007 (2011); eMarketer Aug 2007; "broadband defined as an Internet connection of 200 kbps in at least one direction (includes ADSL, cable, satellite, fixed wireless, fiber, powerline, WiMax). Internet share of ad spend, eMarketer October 2007, IAB. Search Market share: Comscore/Neilsen Netratings, March 2007 (share of searches). Queries per user based on Total internet users multiplied by Google share / Google queries in Q3 Google internal data is Q3 2007 and are based on USER IP.

Competitors become increasingly aggressive in preparing for seasonal peaks



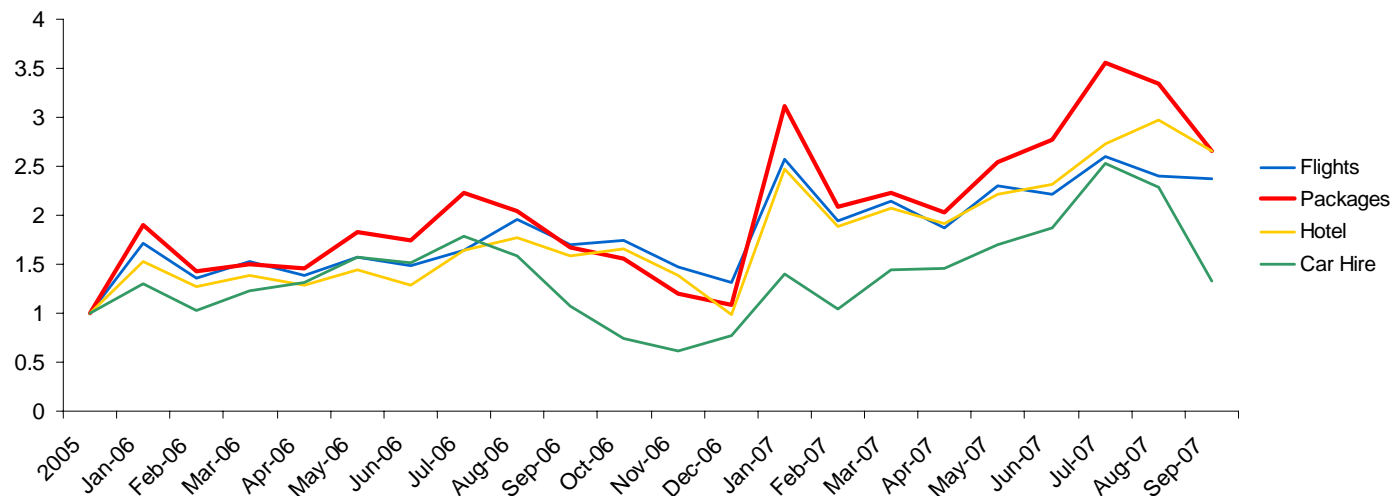
Seasonality of travel searches on Google

The lead in to the Christmas and summer peaks is increasingly important to establish high positioning



Although flights still represents the largest outright category, it is packages and to an extent hotels, that are experiencing the highest growth

Relative growth of travel searches on Google



2 out 3 of the UK online population conducted a travel search in Q1 2007



Total UK Population 15+ 49m (100%)

Total UK Online Population 15+ 30m (61%)

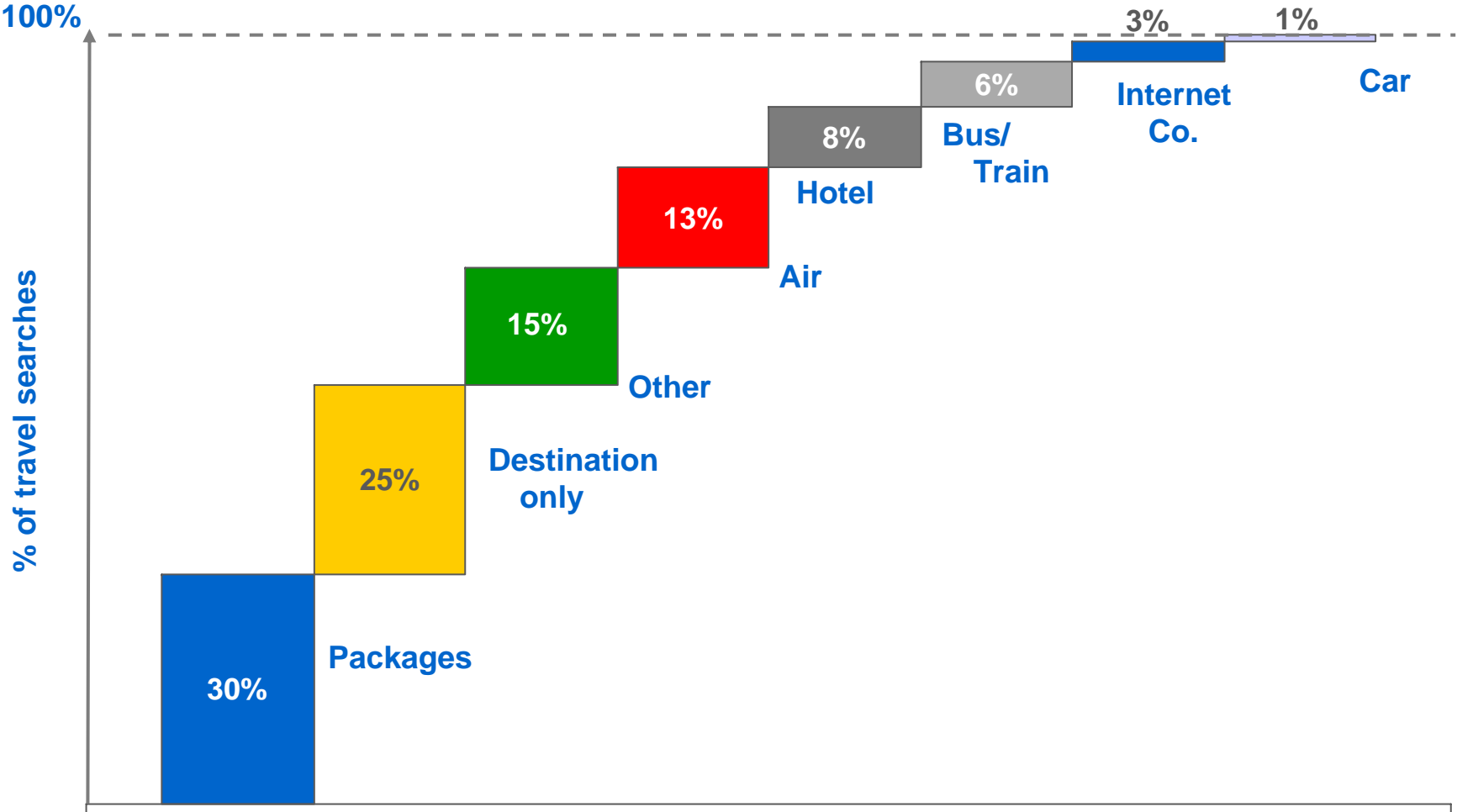
Total UK Travel Searchers 15+ 20m (41%)

41% of Total UK Population conducted a travel search in Q1 2007

Packages are the most popular product category searched



Share of UK Travel Searches by Search Product Category – Q1 2007

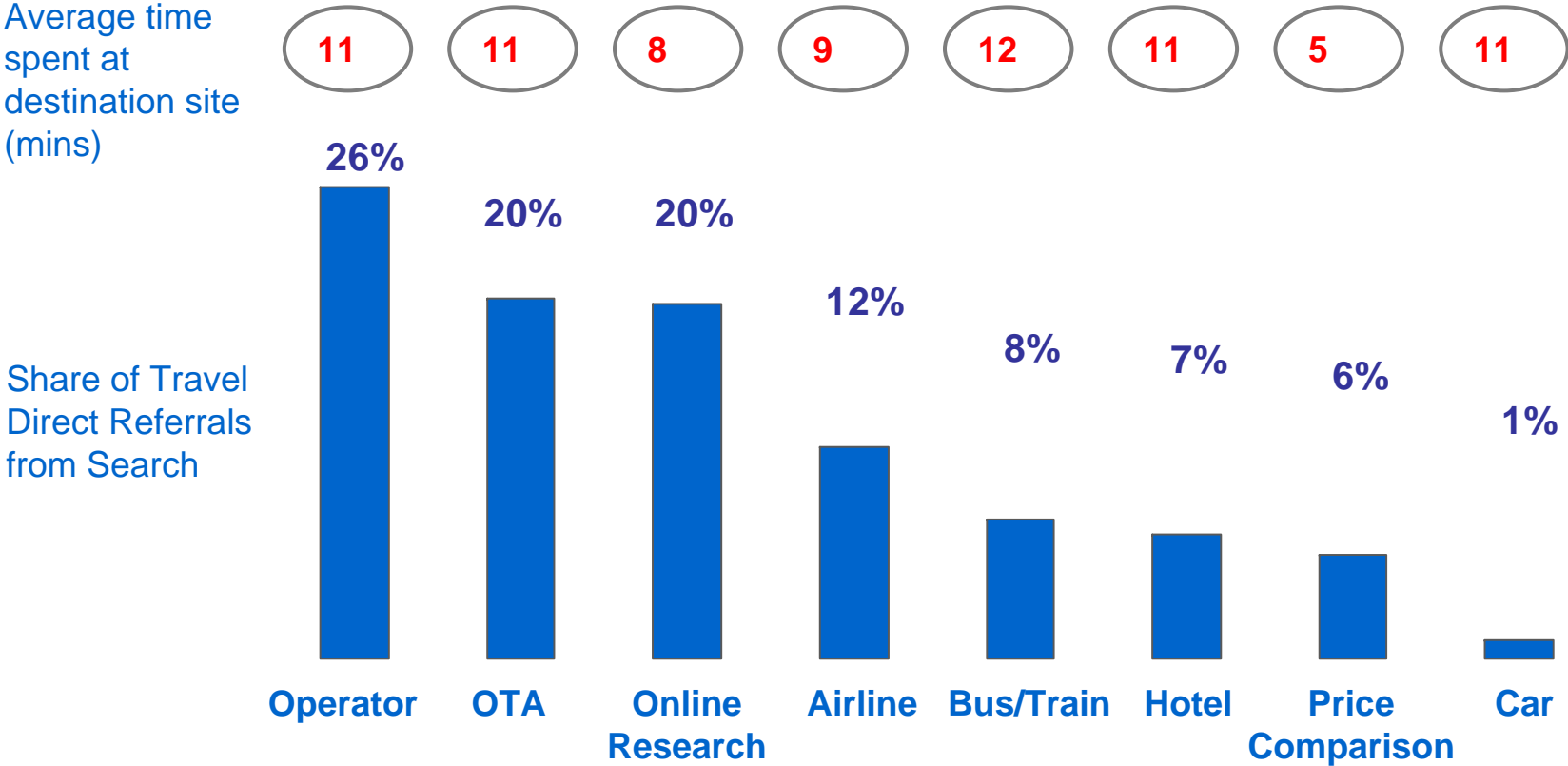


Source: comScore custom analysis- UK Population, Q1 2007;
Travel Search = keyword search from defined list of 40,000 travel search terms

Online Travel Agencies and Tour Operators represented almost half of search referrals



Share of Direct Search Referrals to Travel sites, with average duration of site visit

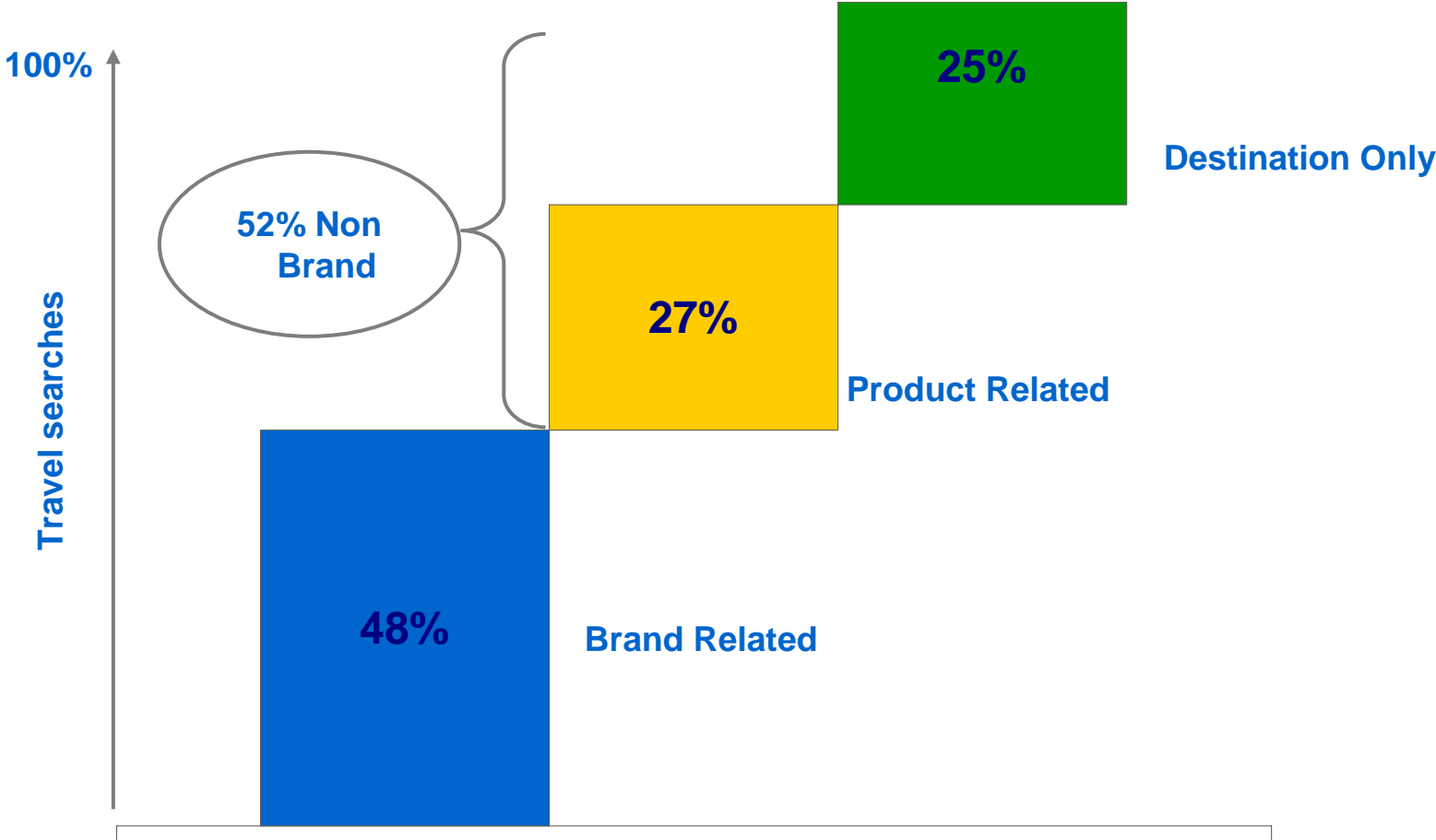


Note: Direct Referrals include links from banner advertising, email marketing, blog postings etc. in addition to search referrals

Over half of all travel searches do not contain a brand...



Share of UK Travel Searches by Search Type Category – Q1 2007



Note: Destination = Destination Only
Product and Brand include combinations with Destination terms

Source: comScore custom analysis- UK Population, Q1 2007;
Travel Search = keyword search from defined list of 40,000 travel search terms

Online marketing best practices



Be found Online 24x7	Advertise all relevant products & services	<input type="radio"/>
	Capture all relevant brand searches	<input type="radio"/>
	Prioritize cost effective key words through campaign structure	<input type="radio"/>
	Advertise on all relevant keywords and keyword variations	<input type="radio"/>
	Allocate budgets to ensure optimum coverage 24x7	<input type="radio"/>
Manage Actively	Achieve preferred position and meet traffic objectives by optimizing CPCs	<input type="radio"/>
	Promote product benefits and special offers through up-to-date ad text	<input type="radio"/>
	Anticipate and manage search seasonality effectively	<input type="radio"/>
Engage Consumers Across the Internet	Increase online awareness with the Content network	<input type="radio"/>
	Attract and (re)engage consumers by trialing new ad formats	<input type="radio"/>
	Integrate search marketing with natural search results	<input type="radio"/>
Drive Conversion	Optimise landing page quality to capture conversions	<input type="radio"/>
	Understand user journey via web analytics	<input type="radio"/>
	Align conversion data with search campaign to maximise ROI	<input type="radio"/>
Integrate Online & Offline Activity	Understand the role of search in the marketing funnel	<input type="radio"/>
	Drive & track offline conversions resulting from search	<input type="radio"/>

User generated homepage



Weather forecast for your trip

Check the time in Barcelona

Convert your holiday money

Weather forecast for your trip: Barcelona, edit. WeatherBug. Hi: 75° F. Sunny, Mild, Breezy. Temperature of 79° F. Winds 1. more...
Sun: 72°-63° | Mon: 72°-63° | Tue: 68°-47° | Wed: 70°-63°
★ Spring Sale On Laptop Bags And

Check the time in Barcelona: World Time Server Clocks. London, Barcelona.

Convert your holiday money: Currency Converter. Convert this amount: 1. of this type of currency: United Kingdom Pounds (GBP). into this type of currency: Euro (EUR). Perform Currency Conversion.

Other widgets on screen: iGoogle, Google Search, I'm Feeling Lucky, Expedia Travel Deals, Babelfish, Travel Guides and Reviews, Travelocity, Flights Cars Hotels, Driving Directions.

Product images: ESTEE LAUDER Sun Performance SPF 15 SUNSCREEN Sun Care, sunglasses.