



Speeding up in the Slowdown

Google™

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Industry Head – Travel, Google UK

Online is mass market



41 Million
online in the UK

59%
UK households
have broadband

7 Hours
online per week

Broadband is a must have

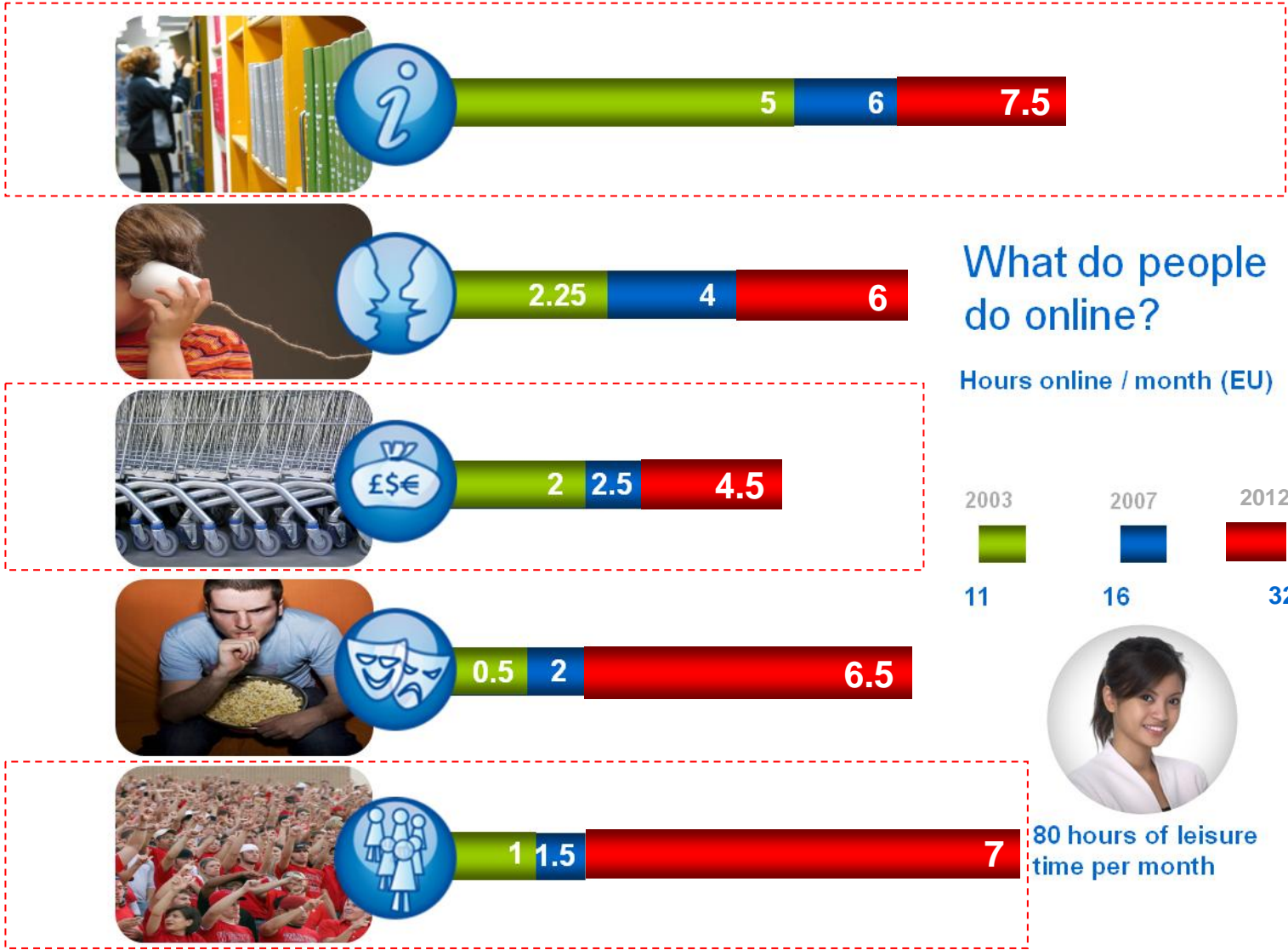


92% must have
one within a
month

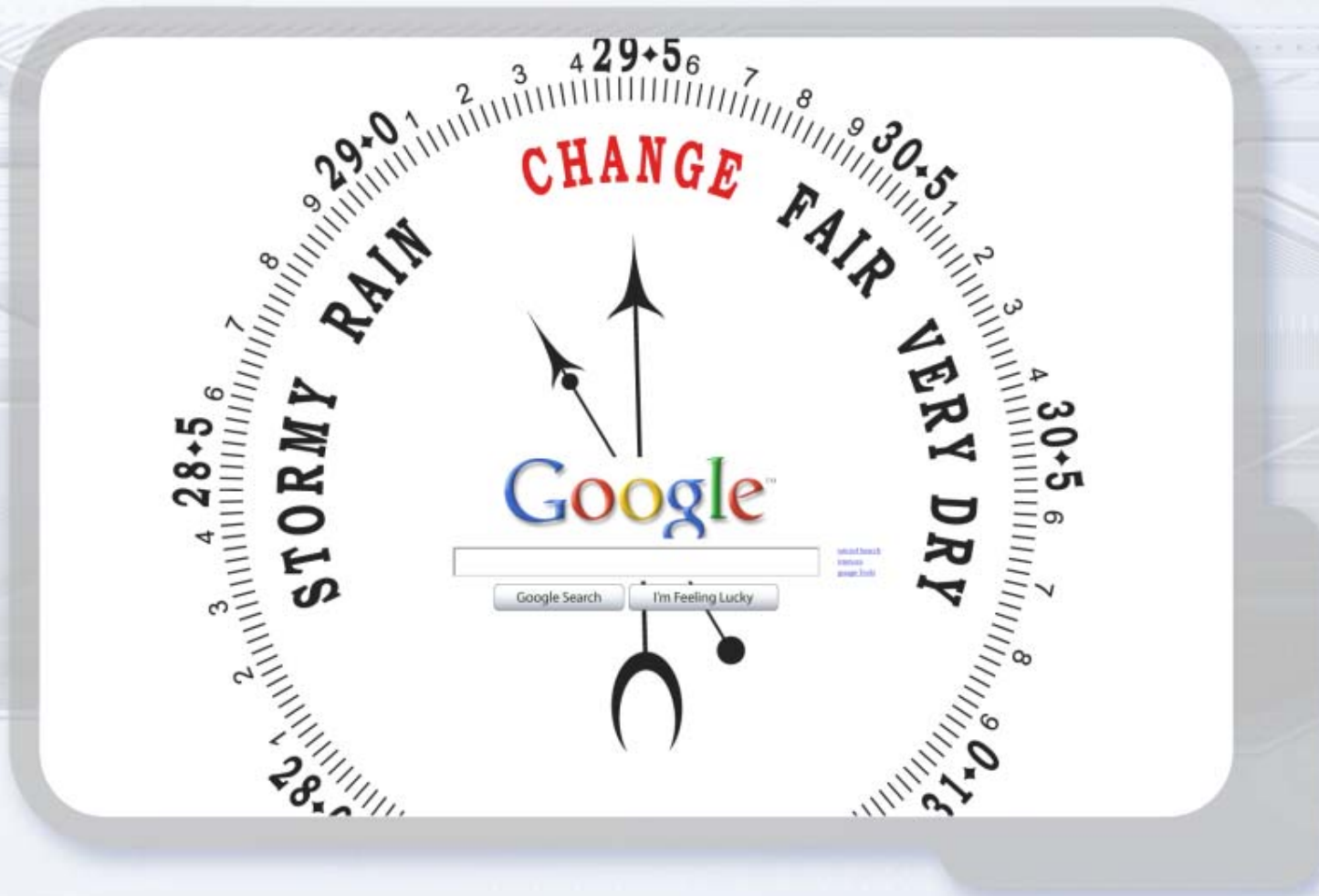


92% can live
without one for a
month

Consumers keep doing more online



Search is a Barometer





Web Search Volume: petrol price

United Kingdom, Jul 2007 - Oct 2008

petrol price 33

Interest over time

News headlines: [Show](#) [Hide](#)

[Learn what these numbers mean](#)



Web Search Volume: safe savings

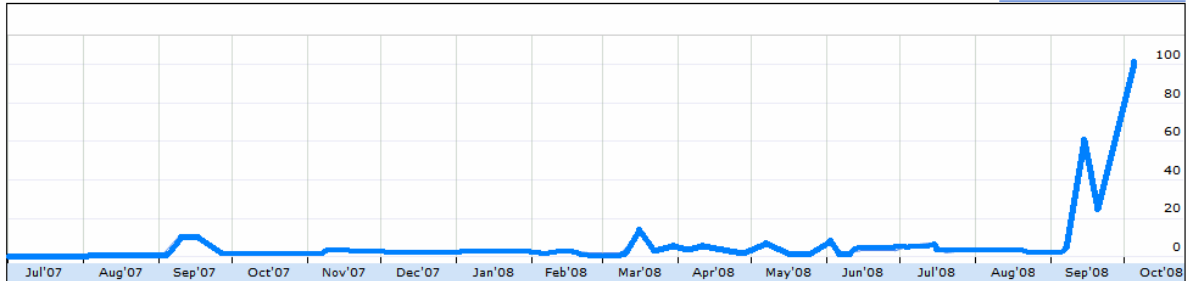
United Kingdom, Jul 2007 - Oct 2008

safe savings 6

Interest over time

News stories weren't found for your query.

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Web Search Volume: gas prices

United Kingdom, Jul 2007 - Oct 2008

gas prices 22

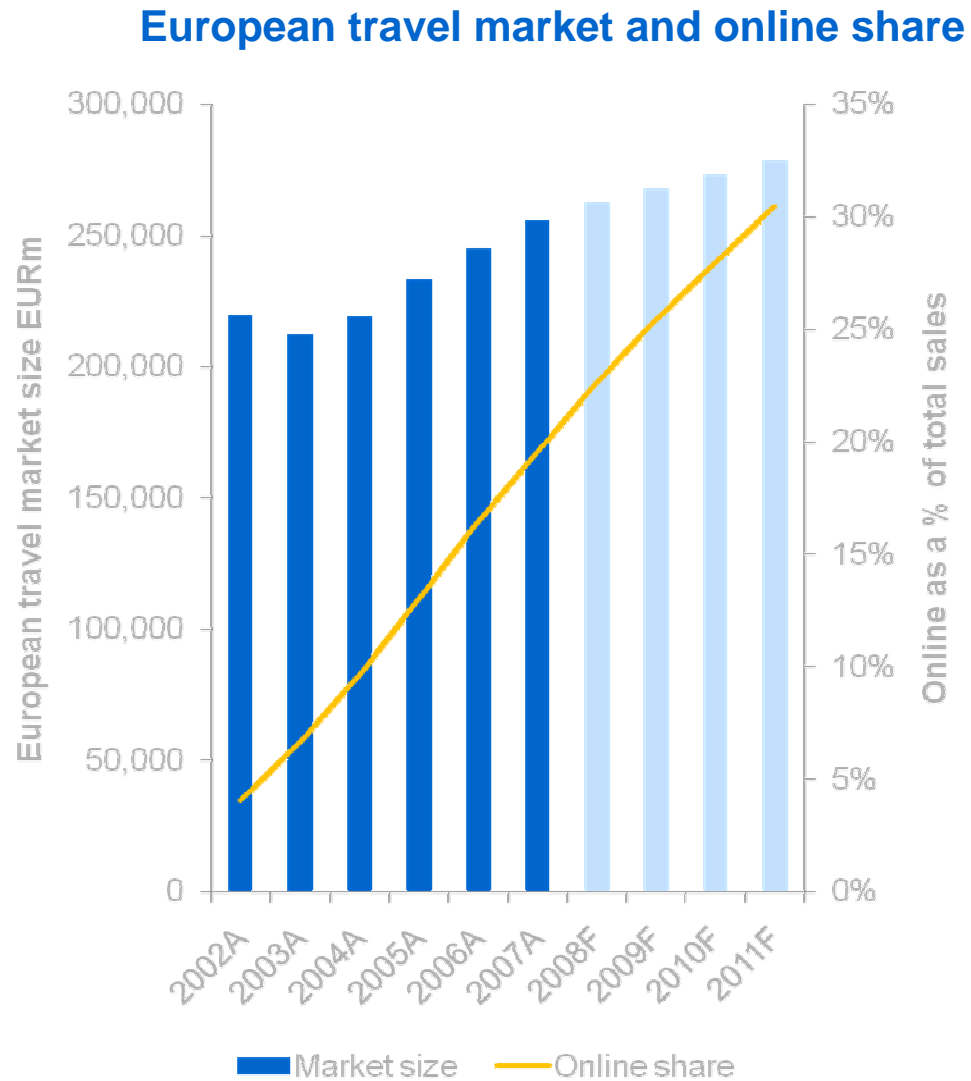
Interest over time

News headlines: [Show](#) [Hide](#)

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Travel sectors grew online by more than 20% in 2007

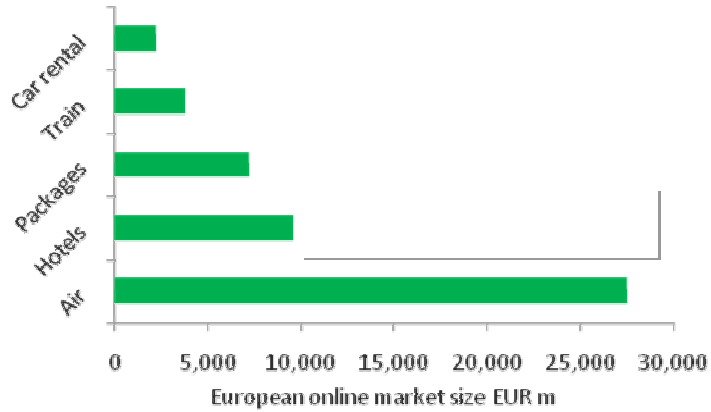


European market in 2007

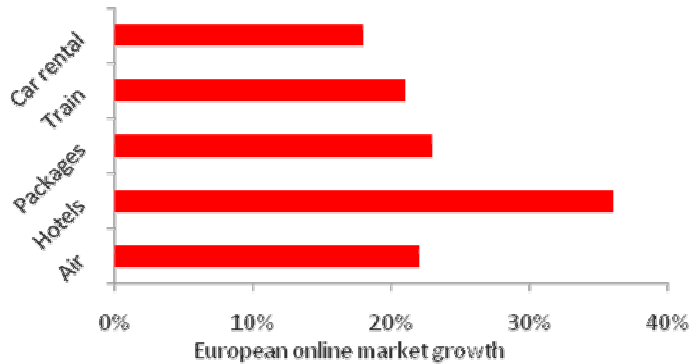
- *European market €256B (+4% in 2007)*
- *Online share 19%*
- *UK more than 30% of travel is sold online*
- *UK = €848 / per capita*
- *23% of UK hotels sales are online*

Strong online growth in a turbulent market

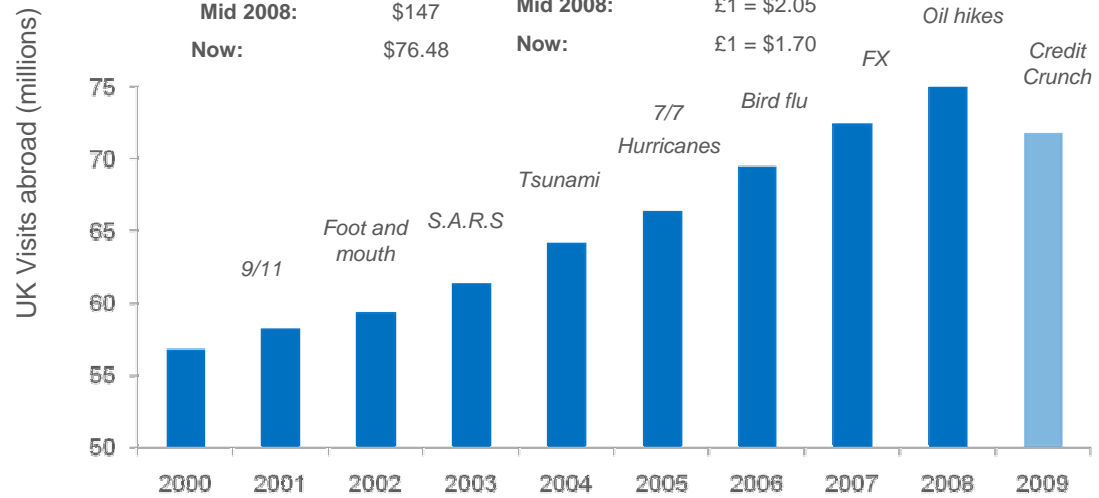
European online travel market value by segment



European online travel market growth



Oil Price Inflation		£:\$ Ratio	
2000:	\$28.5	2000:	£1 = \$1.63
2007:	\$72.4	2007:	£1 = \$1.95
Mid 2008:	\$147	Mid 2008:	£1 = \$2.05
Now:	\$76.48	Now:	£1 = \$1.70



- European market €256B (+4% in 2007)
- European online share – 19%
- UK online share – more than 30% of travel is sold online
- UK = €848 / per capita
- 41% of the UK population conducted a travel search in Q1 07

What we're seeing...

Fast rising searches for UK travel

'Blackpool'

'Late Rooms'

'Legoland'

'Eurostar'

'Skyscanner'

'National Express'

'O2 Arena'

TUI: In Q3 '08 TUI's online destination services saw a 21% increase in customers

IHG: 25% of all revenue from online sales – Q3 2008

Whitbread: Recruiting 4,000 new jobs to support growth of Premier Inn brand

Virgin Holidays: Number of online bookings has doubled in the past year

Hilton: 25% of bookings come via the company's websites

- Slowdowns are when winners get ahead
- This time it's different – consumers are digital and the slowdown will fuel online growth
- Keeping up with the digital consumer will help you get ahead
- Are you doing all you should?

How winners get ahead in a slowdown



Invest for growth



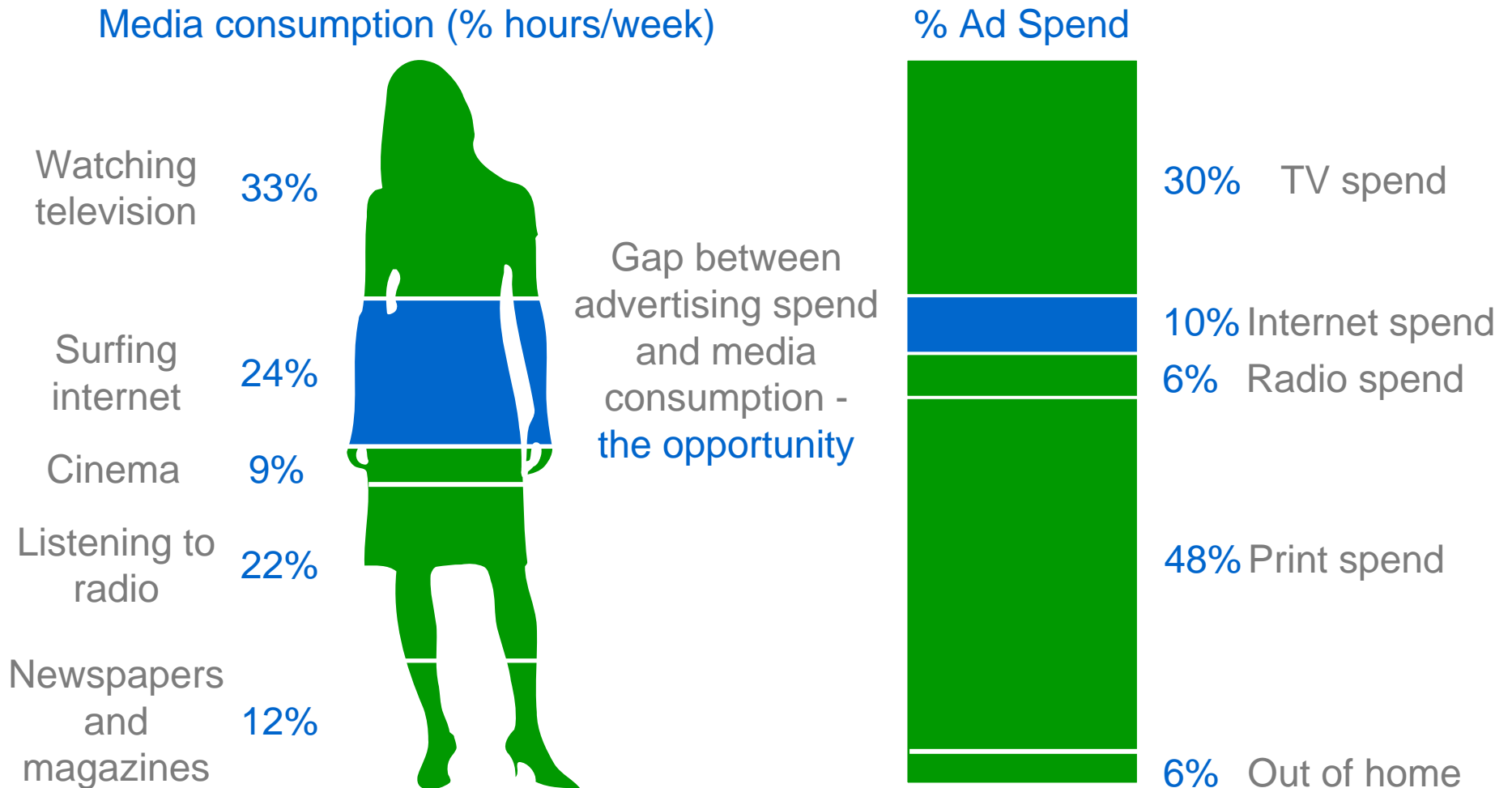
Drive profit by targeting



Manage costs



Are Marketing Budgets aligned to where your customers are?



Source: Ad Spend: PricewaterhouseCoopers, Jul 2007;
Media consumption: Source: Forrester Research Q2 2007

Bargain hunters don't drive

80% of internet users
compare prices and options

30% more actively
seeking promotions than
last year

EU Online Travel spend
was up **24%** YoY in 2007

Sources: Harris Interactive "Digital Influence Index", Jun 2008; The Retail Bulletin, "Consumers seek out promotions than they were 12 months ago, Jun 2008; Internet Retailing "I want to buy some cheese", Feb 2008; IMRG Cpagenini e-Retail Sales Index, Jul 2008]



Search is the way in...

Search is more important than word of mouth when researching products or services

shoppers have changed their mind about which brand to buy following research on the web

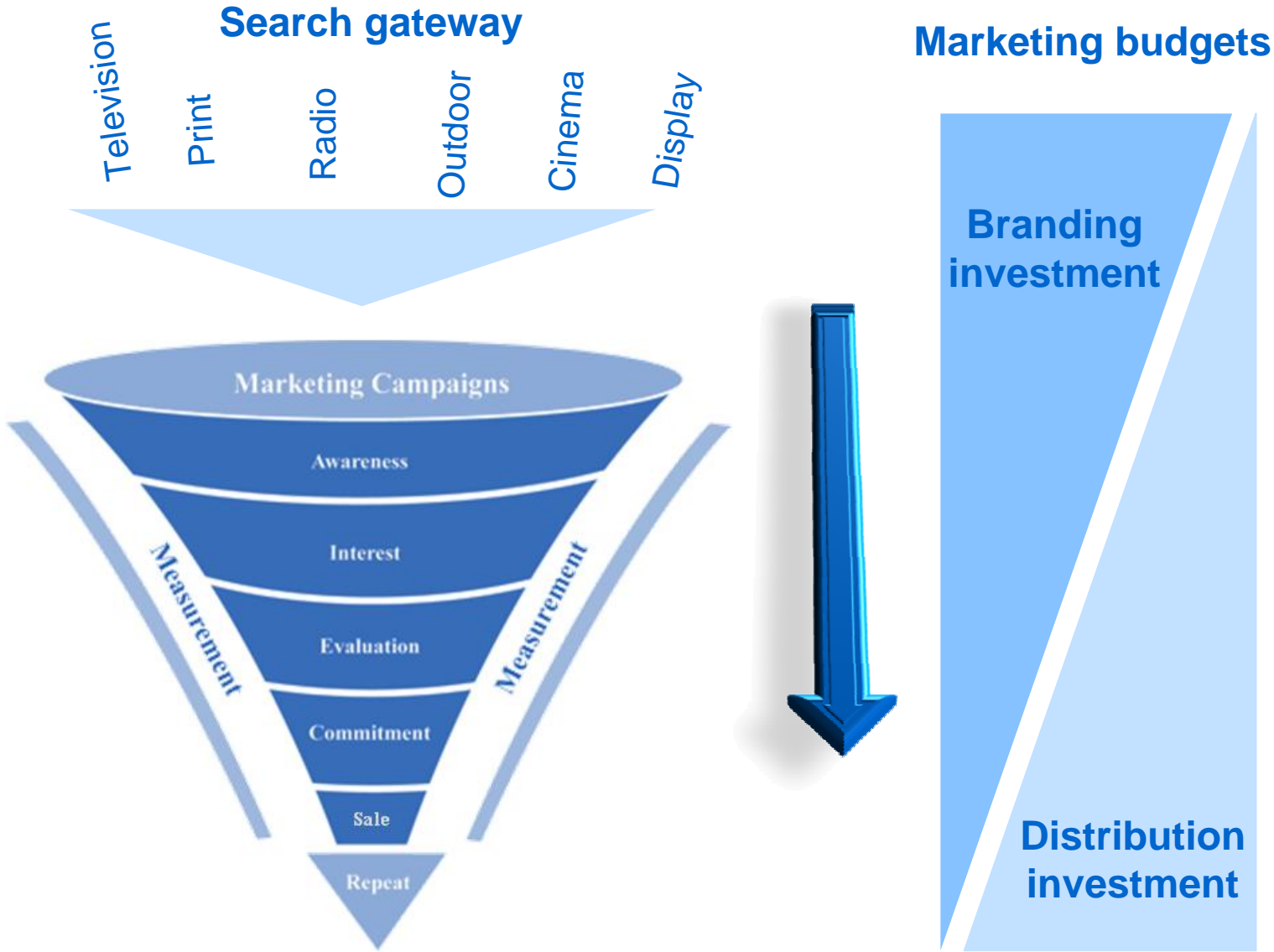
Consumers expect top brands to be at top of search results

“65% of customers use search to see what’s out there and get a better idea of what sites had”

“Top results in paid search and natural results drive a 39% uplift in ad recall and tripling of brand recognition”

“These top results also drive a 50% uplift in click-through performance and a 12% increase in purchase consideration”

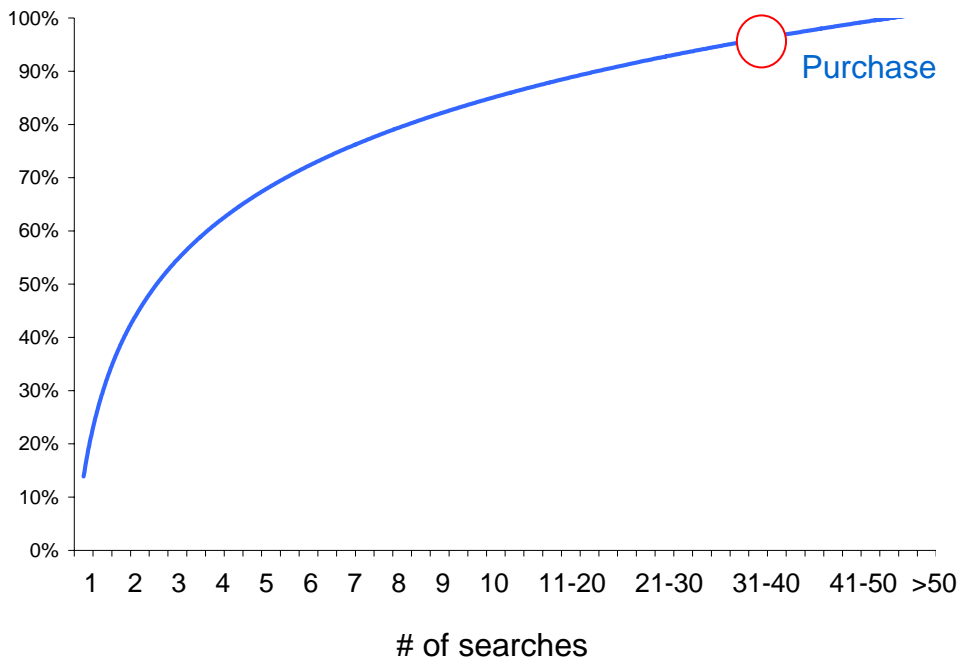
Search is central to your upper funnel branding initiatives



Source: Opal Marketing

Follow the consumers path to purchase

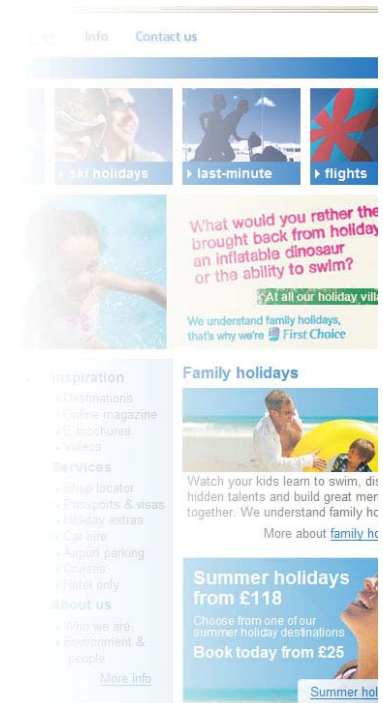
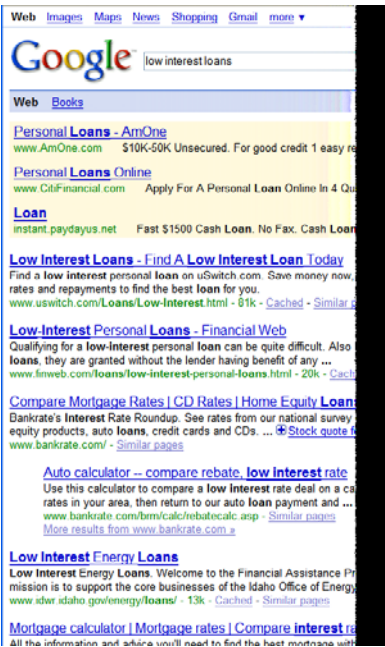
Distribution of searches prior to purchase



Before a first transaction, on average:

- 12 travel searches
- 22 travel sites
- 29 days

From “holiday in the sun” to First Choice Purchase in 33 days



Art or Science?



$$\frac{\partial}{\partial a} \ln f_{a, \sigma^2}(\xi_1) = \frac{(\xi_1 - a)}{\sigma^2} f_{a, \sigma^2}(\xi_1) = \frac{1}{\sqrt{2\pi\sigma}} \exp\left\{-\frac{(\xi_1 - a)^2}{2\sigma^2}\right\} \frac{\partial}{\partial a} \ln f_{a, \sigma^2}(\xi_1)$$
$$\int_{\mathcal{R}_n} T(x) \cdot \frac{\partial}{\partial \theta} f(x, \theta) dx = M\left(T(\xi) \cdot \frac{\partial}{\partial \theta} \ln L(\xi, \theta)\right) \int_{\mathcal{R}_n} \frac{\partial}{\partial \theta} T(x) f(x, \theta) dx$$
$$\int_{\mathcal{R}_n} T(x) \cdot \left(\frac{\partial}{\partial \theta} \ln L(x, \theta)\right) \cdot f(x, \theta) dx = \int_{\mathcal{R}_n} T(x) \left(\frac{\frac{\partial}{\partial \theta} f(x, \theta)}{f(x, \theta)}\right) f(x, \theta) dx$$
$$\frac{\partial}{\partial \theta} M T(\xi) = \frac{\partial}{\partial \theta} \int_{\mathcal{R}_n} T(x) f(x, \theta) dx = \int_{\mathcal{R}_n} \frac{\partial}{\partial \theta} T(x) f(x, \theta) dx$$
$$1 \cdot \exp\left\{-\frac{(\xi_1 - a)^2}{2\sigma^2}\right\} \frac{\partial}{\partial a} \ln f_{a, \sigma^2}(\xi_1) = \frac{(\xi_1 - a)}{\sigma^2} \exp\left\{-\frac{(\xi_1 - a)^2}{2\sigma^2}\right\}$$

How Google tools can help

Invest for growth – Gain share of the growing online market



Ad Planner – target customers across the web

Adwords – target people searching for what you sell

Webmaster – make sure your site can be found

Drive profit – Target efforts based on the facts



Insights for search – react fast to changing demand

Conversion optimiser – optimise your ad spend for profitability

Adsense – earn extra revenue from your visitors

Manage costs – Use science not art to make the most of your budget



Website optimiser – drive conversions by learning from rapid tests

Analytics – drive efficiency by understanding your visitors

Ad toolkit – learn more about all of this

Google insights for search

Find what the world is searching for:

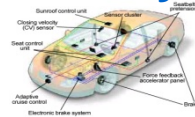
- target your messages
- explore and capitalise on seasonality
- act fast on rising trends and fashions

What are the top marketing messages for a car manufacturer?

fuel efficiency



safety



engine performance



Google Insights for Search BETA

Compare by:
 search terms
 locations
 time ranges

Tip: Use the + sign to group multiple search terms. (Ex: apple + pear + lemon)

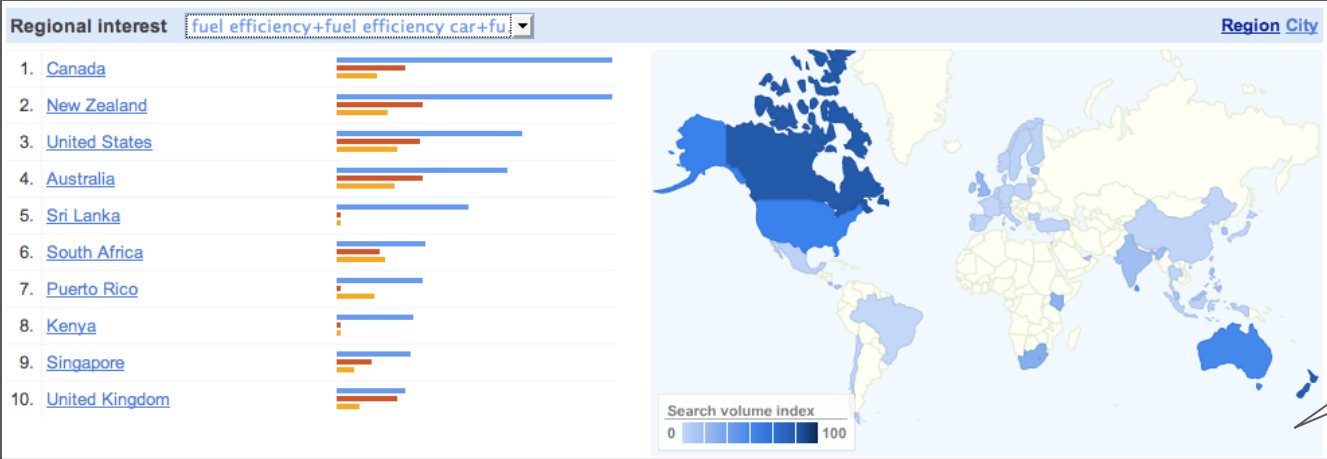
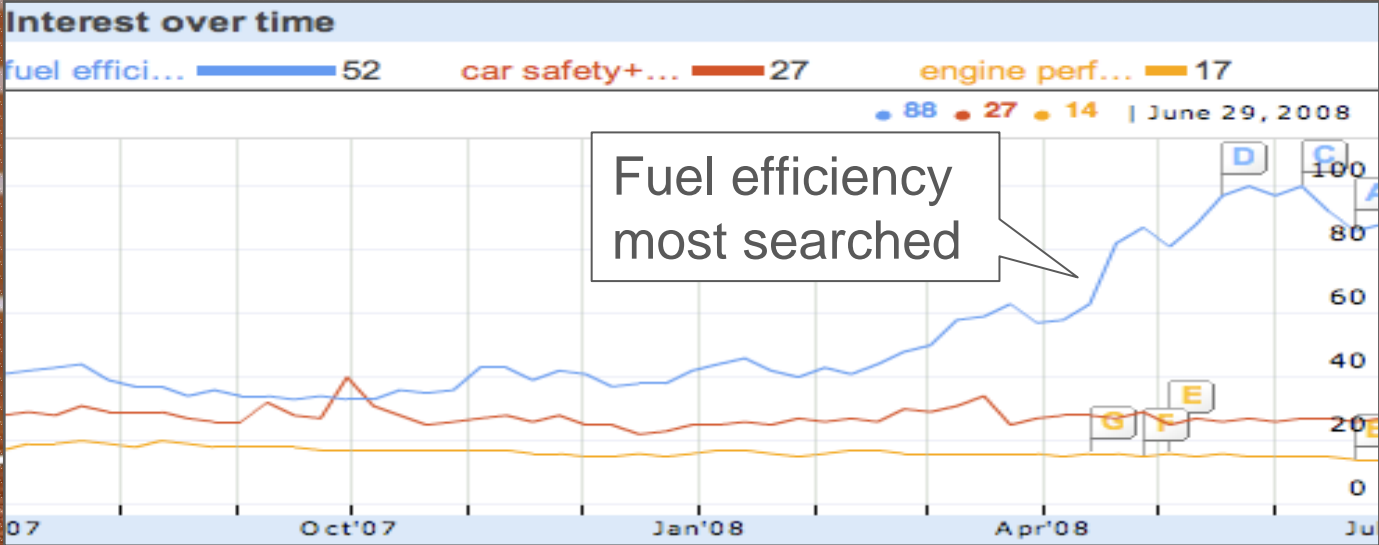
Search terms:
+ [Add search term](#)

Location:

Time:

in ...

Choosing advertising messages



Mix of messages differs across the world

Get religious about conversion

57%

of online shoppers
are less likely to buy
from a brand offline
if they experienced
problems online



Which site converts better?



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- ✓ **Transform and restructure spatial data to meet your needs.**
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- ✓ **Now with raster data support!**
Over 50 new transformers, 20 specifically for raster data. Plus, more than 1800 enhancements.

Richard Clement,
State of Alaska, Department of
Natural Resources

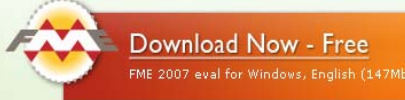
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