



## Expedia Research Summary

### Company Overview

Expedia sees itself primarily as an accommodation and activity-booking provider. They have approximately 1,200 properties as partner properties in Ireland and have a dedicated account team based in Dublin. The media and destination services team are London based.

They own many well-known sites including:

- Hotwire
- Venere
- Expedia draws mainly out of the North American and Canadian markets
- Egencia
- Elong.com
- Hotels.com

Affiliate sites include Aer Lingus, Lonely Planet and in 2013 they announced a strategic partnership with Travelocity a US based online travel agency owned by Sabre.

Their product offering is suited around the following travel pattern markets

1. Short / Opaque / Mobile
2. Medium / Retail / Corporate
3. Long / Packages /International

### Research Highlights

#### Cost of sale and Commission Levels

Using Expedia as a booking channel attracts no membership cost as such. However the commission cost is 23 % and is paid locally at hotel level.

Expedia expect to contract on the basis of base allocation and flex allocation where a hotel can add as many rooms as they like on a given night

Inventory loading 365 days ahead is recommended

Base Allocation – Key to production from this channel is understanding that a base allocation drives business via the packages paths (currently consumers can book

hotel, flights, car hire or any combination of these on Expedia). Package business is currently about 13% of all bookings and in this case hotel rates are opaque. Egencia – the corporate booking tool demands a rate value of 10 % discount off BAR as a minimum for participation (rates must include breakfast) – This rate is also plus commission rate.

### **Property extranets**

Expedia have developed a portal known as **expediapartnercentral.com** which properties can access to update their content and imagery on expedia. Once loaded correctly on expedia all properties are then distributed across the affiliate network.

This portal also allows for checking of invoices and other administration relating to property set up on this channel:

- WIFI is recommended as a key selling tool (in particular for the German market)
- Pictures of all room types
- Exterior Shots

Bi weekly reports are issued to all participating properties ranking their booking levels:

- Versus their competitive set.
- Versus their Destination

Competitive sets can be changed at the request of a property.

### **Trends in Mobile Bookings**

Currently they are experiencing an increase in mobile bookings evidenced by 13 % of all bookings for Dublin being via mobile. They expect this mobile trend to continue upward. They expect that by the end of 2015 mobile bookings via Expedia will have reached 25% as a minimum.

### **Key Insights and Learning's**

- The reach of this channel is international, and has a particular strength in the North American (US & Canada) markets. This provides access for Independent properties, in particular, to markets that otherwise they may not be able to attract.
- Seasonality of the business coming through this channel can best be described as stable and is a solid year round performer.
- Optimisation of mobile sites by hotels for their own websites are key as given the booking device trends across all channels, a level playing field on mobile devices is necessary.

