

ISHC Annual Conference  
Hospitality in a Changing World

ISHC  
INTERNATIONAL SOCIETY OF  
HOSPITALITY CONSULTANTS



# Consumer Demand Patterns

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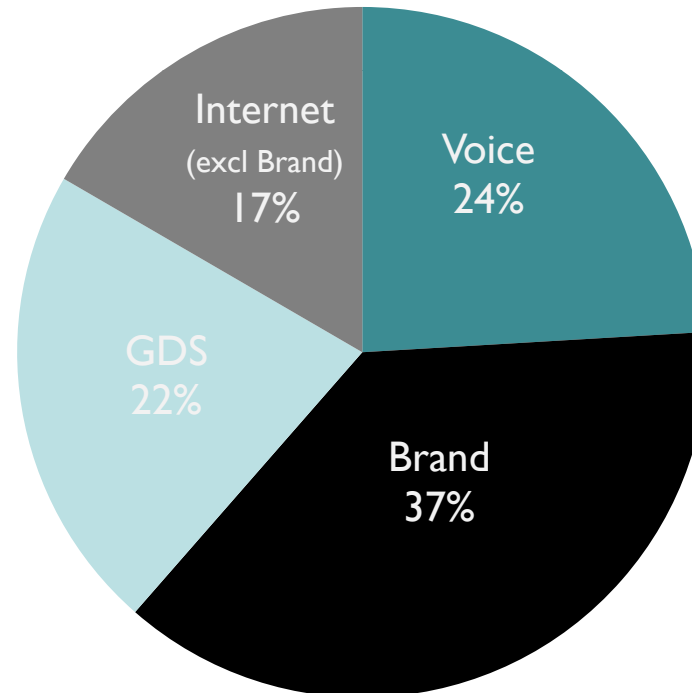
Ceylan InterContinental Istanbul, Turkey

20 – 23 October 2011

# Highlights | Second Quarter 2011

**The Brand Website revenue contributed 37.4% of the \$10.5 billion total revenue booked by the CRO**

**Revenue by Channel**  
2011 Q2



\*Internet Sites revenue reflects Opaque and Merchant as Hotel's net rate. Based on data from TravelClick's Proprietary Database

# Web | Shifting Share Second Quarter Comparison

2011 Q2

2010 Q2

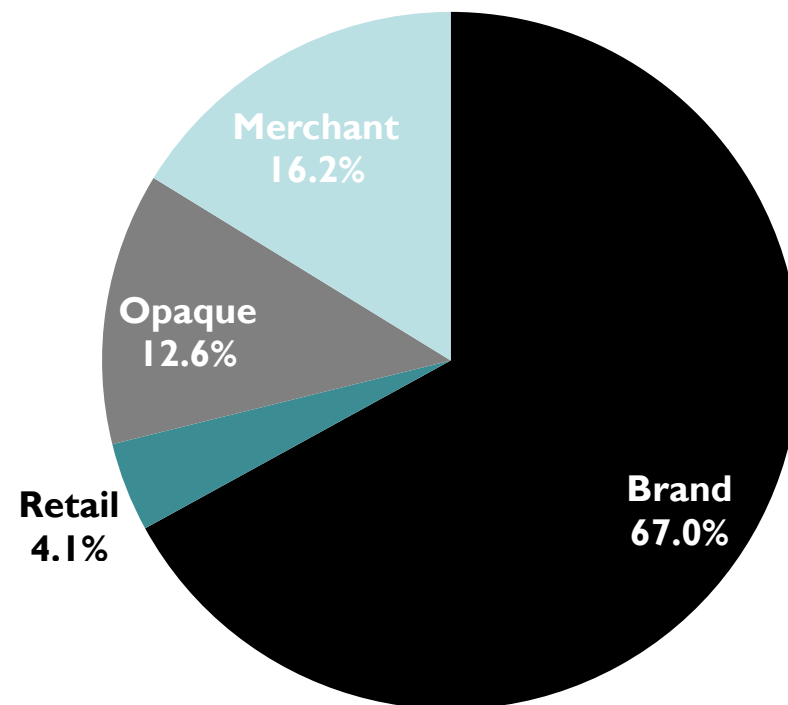
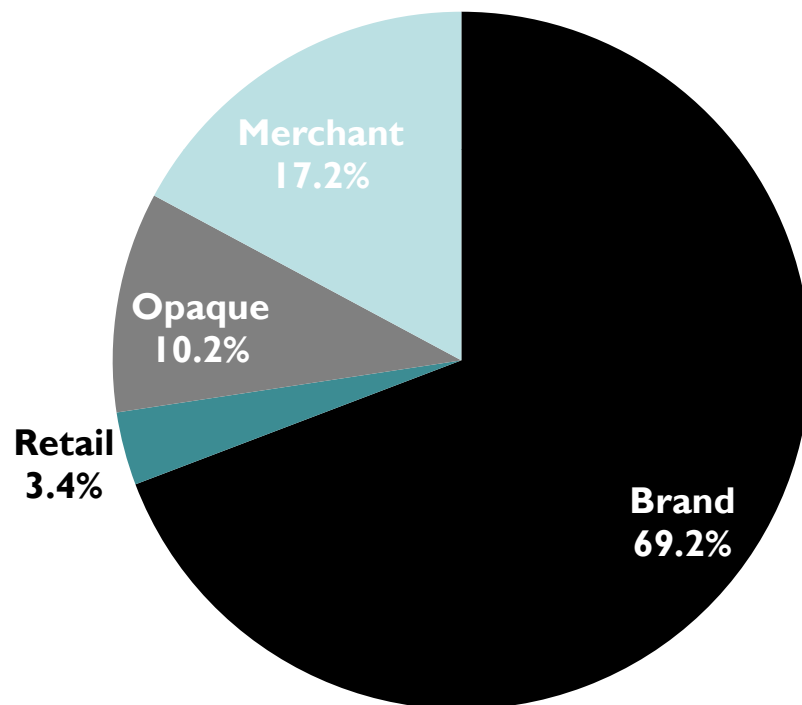
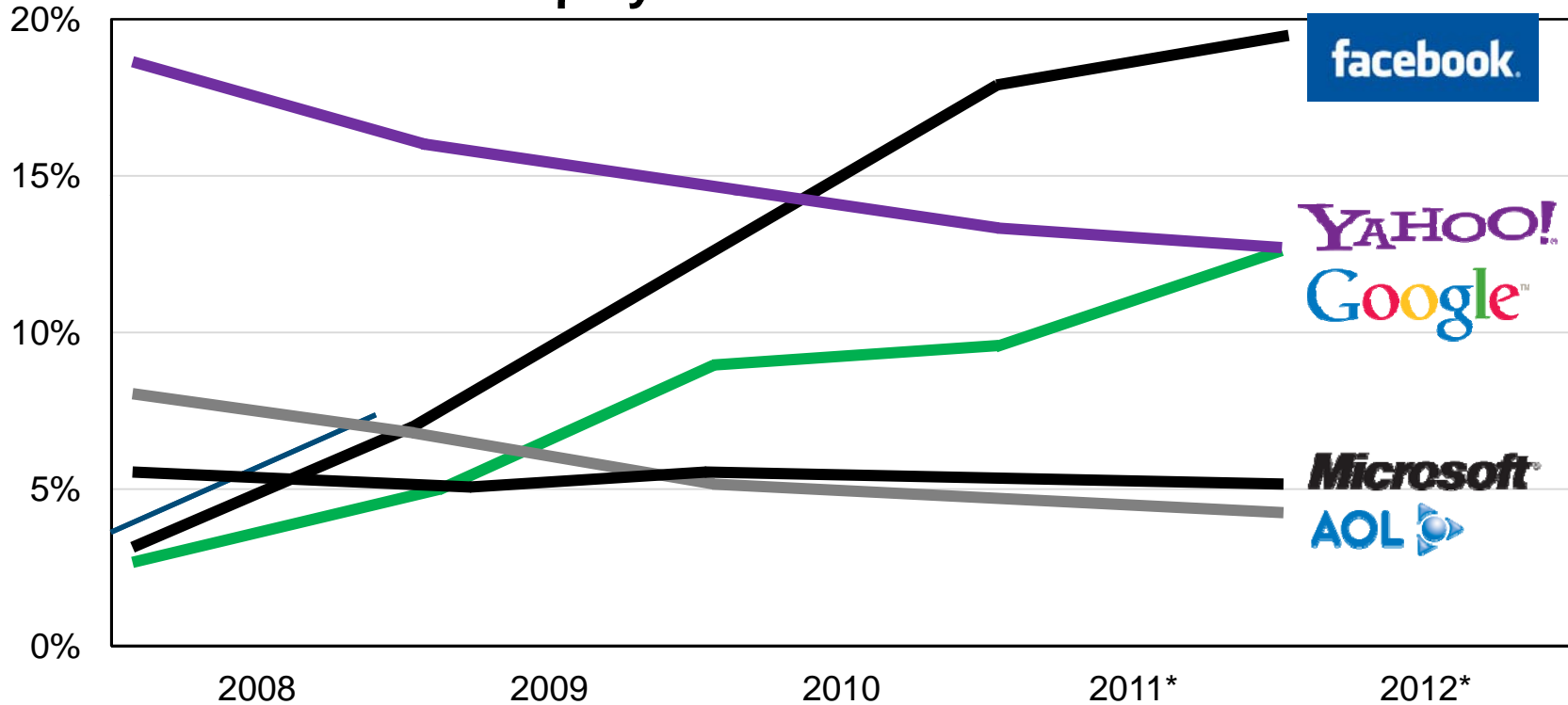


Chart above reflects reservations processed through a CRO. Property websites and other Internet reservations not booked through the CRO are not included.

# Managing Changing Consumer Behavior

## Diverging Paths

### Shares of total U.S. display-ad revenues



\*Forecasts

Source: eMarketer

# OTA Implications – Creating Visibility



OTA Impact on non-OTA reservations/rate

Property	Non-OTA Volume Increase	ADR Increase
Branded 1	7.5%	3.9%
Branded 2	9.1%	0.8%
Branded 3	14.1%	0.3%
Independent	26%	0.8%

**ADR across several stay dates (in and beyond 3 month study period)**

**ADR increase controlling for DOW, DBA, LOS**

# Online consumer behavior



IHG.com:Expedia.com >10:1



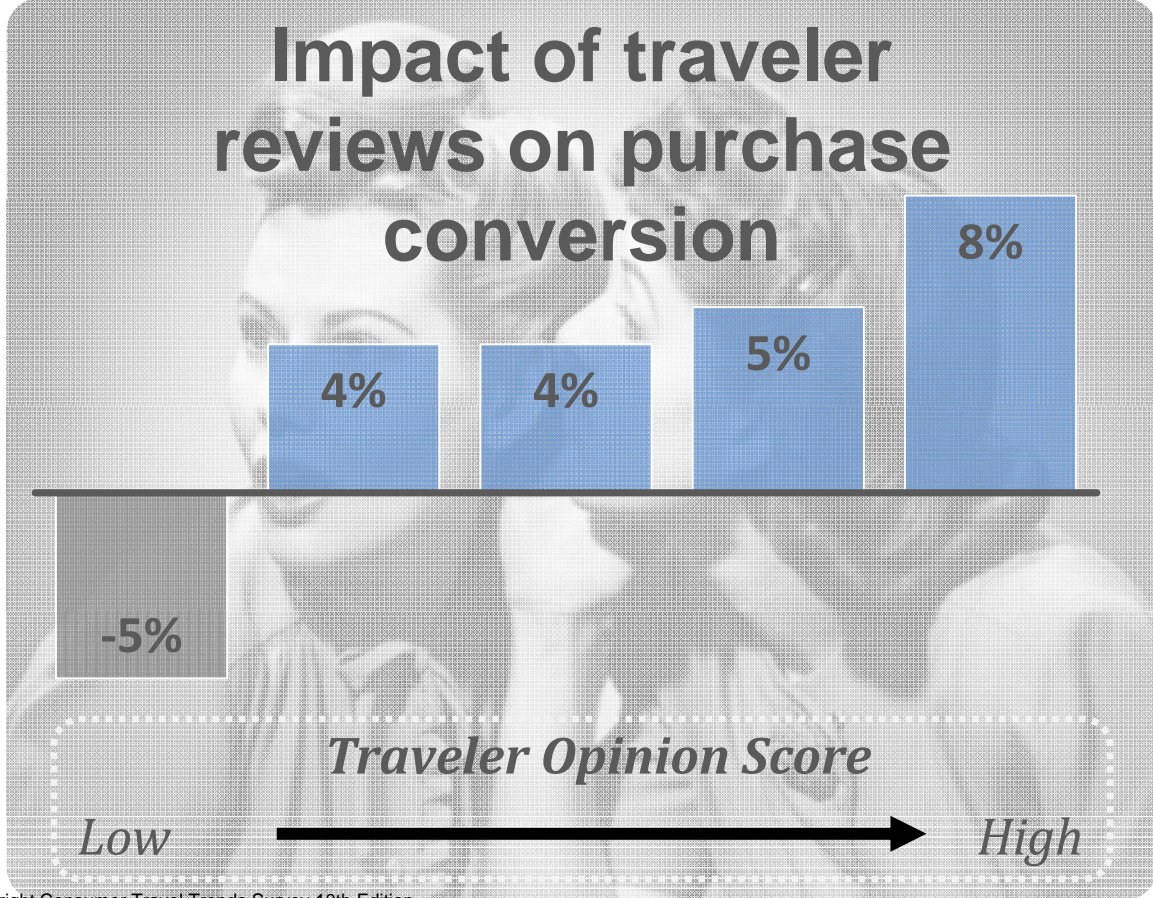
	% IHG.com		Ratio IHG.com/Expedia Reservations	
	Visit Expedia	Expedia Only OTA	All Impacted	Expedia Only
2008	46.7%	9.6%	36.6	7.5
2009	42.6%	10.9%	5.5	1.4
2010	48.6%	12.5%	6.2	1.8

~1-2 reservations @ IHG.com for each @ Expedia  
 Similar to JHM commissions 20/3  
 Ignores non-IHG.com impact ~2-4

# difference in the new travel

“87% of travelers found traveler-generated reviews from people they didn’t know influential in deciding where they would purchase their leisure travel”.

(PhoCusWright Inc)



Source: Expedia, Inc.; The PhoCusWright Consumer Travel Trends Survey 10th Edition