

RESEARCH

TripAdvisor, regional search prime opportunities for hotels: L2

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Waldorf Astoria Rome Cavalieri hotel entrance

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Affiliate sites and online travel agencies have kicked brands out of first-page search results, according to a new report by L2.

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Across 452 non-branded keywords, TripAdvisor had the highest first-page display rate by a significant portion, and similar sites and online travel agencies (OTAs) dominated the top 10. To make themselves visible to prospective travelers researching online, brands must make themselves visible on these sites and target consumers by region.

"The Google Hotel Ads product mimics a native experience allowing users to comb through reviews, pictures and maps before directly booking through a Google advertiser," said Grant Torres, research associate at L2. "In effect, users are incentivized to stay on the original search landing page, to gather information about properties, compare pricing and purchase a night in a specific region.

"The regional search product leads a consumer from start to finish down the purchase funnel, making it a highly effective tool for luxury hotels," he said.

"**Luxury Hotels: Regional Search Strategies**" examines the performance of L2 index brands across a variety of search components, suggesting solutions to help compete against OTAs and affiliate sites.

Regional specificity

Small Luxury Hotels of the World and Four Seasons were the ninth- and tenth-ranked organic sites in L2's research, appearing on 15 percent and 14 percent, respectively, of first-page results. In paid search, Four Seasons and Ritz-Carlton headed the luxury sector category, ranking ninth and tenth, still well behind TripAdvisor and online travel agencies.

TripAdvisor's dominance by both measures makes it an obvious choice for a partnership. Its emergence as the go-to destination for researching and its more recent partnerships with Priceline-owned Booking.com and various hotel chains, including Marriott, are positioning it to dominate another section of the purchase journey.

Accordingly, L2 has determined that TripAdvisor is an "inevitable" partner for brands as it becomes a one-stop-shop for all travel needs. Marriott has already struck a deal, and it stands to reason that those who can establish a presence on the site earliest have a chance to convert new fans before the competitive field crowds.

While partnerships are one method, L2 also offers other tips to increase visibility on TripAdvisor.

Luxury brands, particularly Four Seasons and Ritz-Carlton, have successfully positioned themselves for U.S.-based searches of un-branded, city specific terms (for example, "luxury hotels in Miami"), dominating brand results.

However, these brands tend to only perform well in their home markets. Ritz-Carlton and Four Seasons have strong search results for Google.com searches regardless of where consumers are searching for rooms. Mandarin Oriental performed well in searches from Asia, while Small Luxury Hotels of the World was among the most visible brands for Google.uk results.

Hotels should therefore concentrate more on regional growth and search terms, with the report offering tips on regions with lower competition than offer more efficient growth potential.

New frontiers

The related threat that online travel agencies, home-sharing services and sites like TripAdvisor have on hotels' margins has been documented in previous L2 research.

In a report released in April, it was noted that travel agency Priceline and home-sharing service Airbnb have higher valuations than any hotel chain.

Over the last five years, the market share of the top 10 luxury hoteliers has remained stagnant at 27 percent but home-sharing platforms could offer a future threat to the business. As such services attract tomorrow's luxury consumer and OTAs eat away at margins, hotels must focus on superb digital platforms and unique experiences ([see story](#)).

To make itself more appealing to a foreign consumer subset, Four Seasons Hotels and Resorts recently reconstructed its mobile application to make bookings easier for Chinese guests.

Four Seasons launched an app earlier in 2015, but rather than merely translating it into Chinese, the chain instead decided to design an entirely different app for the new market. The dedication and precision required in tailoring an app to a specific market is emblematic of Four Seasons' focus on service and the consumer's convenience ([see story](#)).

"Hotels in L2's Digital IQ Index: Luxury Hotels 2016 experienced similar levels of visibility on mobile versus desktop, however there is increased competition from app based OTA's (such as Hotel Tonight) on mobile search, making brand first-page real estate even harder to come by," Mr. Torres said. "Brand and hotel destination search are certainly still a priority; however, since Google and TripAdvisor have incorporated direct booking features on their site, OTA's have dominated in both arenas,"

"This point is illustrated by the fact that in both Paid and Organic search, TripAdvisor and Expedia have the highest visibility across 452 category terms," he said. "Hoteliers should ultimately invest in visibility on both regional Google terms and through the TripAdvisor platform in order to avoid paying commissions to OTAs."