

A comparison of Online Travel Businesses

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Abstract— This research aims to compare 2 Online travel agents, TripAdvisor and Expedia, between 2012 – 2014 on business strategy, revenue, profit, stock price, and also business size by used metric on online website "http://www.alexa.com/siteinfo" which provides data include: global Rank, Bounce Rate, Page views and Daily Time on Site. By browsing on the website and input the name of the website. This report summary 10 basic features that should to provide to customers.

Keywords- *E-commerce; travel agency; comparison; B2C e-Commerce*

I. INTRODUCTION

The internet is an important factor that changes the way of doing business and starting a new business. Most traditional businesses have to adjust their process and change the business according to the Internet era. The Internet era provides many opportunities for every business, whether it is a large company, a startup or a small business. Electronic commerce (E-commerce) is a business that originates from Internet technology. E-commerce is the use of the internet and the web to do business, such as marketing, sales, buying and exchanging. In addition, most businesses still have to think of ways to turn their businesses into E-business to improve the efficiency and effectiveness of the business by using digital technology to enable their transactions and processes.

Today we have a new business model that comes from internet technology. For example, with E-trailer, E-Service, Online Marketplace, E-Auction and E-barter etc. Some businesses run pure online business. But other businesses run businesses that combine offline and online together. However, the internet is not a technology that can guarantee business success. They have to use a variety of strategies and solutions to drive their business together.

The use of internet technology affects many businesses. In particular, businesses related to tour companies or tourism businesses have the most obvious impact.

Traditional travel agents have the same basic types as traditional businesses. They have an office building for sale their tour ticket, packages and others. These businesses must contact and connect with many partners such as airlines, hotels and car rental. And still need to have close contact with customers after the internet has occurred, this business is the first group to change the business model by taking advantage of internet technology, the business model of the new travel agency is B2C e-commerce which uses the market creator's business started from 2007 to the present. Most online travel agents are successful.

First priority for consumers is the convenience of traveling. Secondly, for suppliers, they can focus on groups of customers that can be accessed online: 1. Provide intensive information about their products and services. 2. Management Traveling can be done online. 3. No need to have inventory and office ready to use. Many channels are expensive. 4. Suppliers are always looking for customers to fill production capacity as well. Online travel agents have four main sections: air tickets, hotel reservations, car rentals and cruises or tours. And two important parts are business and leisure. [7]

Online travel agents are one of the successful online businesses. However, at present there is a high competition. Most business people want to invest and build an online travel agency because the business is highly valued.

Follow by the report about The Top Online Travel Sites for January 2014.

They recorded the statistics from 33 travel agencies throughout the world.

The top five online travel agency sites in January 2014 were 1. Booking.com 2. TripAdvisor.com. 3. Expedia.com 4. Hotels.com 5. Priceline.com. [10]

Overall, online travel agencies are businesses that have changed dramatically from traditional businesses to online businesses. So I want to study more in this business field. By comparison TripAdvisor.com and Hotels.com, two online travel sites, ranked second and third, respectively, and are popular online travel sites in Europe and Asia.

II. DESCRIPTION OF ONLINE TRAVEL AGENCIES

TripAdvisor, Inc. was established in February 2000 in the United States. With 3 headquarters in Needham, Massachusetts and United States of America, Inc. is an American travel website. In addition, TripAdvisor's interactive tourism forums are adopted from early user-generated content.

At the first year 2000 that starts up TripAdvisor.com. Pure Play B2C online travel website, where created with related companies and allow users to gather information about travel destinations worldwide. TripAdvisor took on the concept of conversational media, changing the role of consumers from a passive audience into a more interactive audience, which made the website a platform for consumers. forums. Its aim is in providing one-stop service to consumers and in enabling travelers to plan and have a perfect trip. TripAdvisor offers a wide range of travel options, along with links to travel. This service from TripAdvisor is no charge to the customer.

Nowadays, TripAdvisor.com has become one of the largest travel communities in the world with over 250 million reviews and more than 5.2 million accommodations, restaurants, and attractions. The sites operate in 45 countries worldwide and in 28 languages including sites such as the U.K., France, Thailand and so on. TripAdvisor, Inc. manages and operates websites under 23 other travel media brands such as Family Vacation Critic and Booking. Moreover, they provide new service on the mobile application "TripAdvisor Mobile". They receive good feedback from the 215 million mobile app downloads. The outstanding feature on TripAdvisor mobile app is "Near Me Now", which help travelers plan and have the perfect trip by restaurants. [9]

The basic revenue model of TripAdvisor is offers travel supplier's effective graphical advertising and cost-per-click marketing platforms.

TripAdvisor.com has main key features includes: Instant Booking, Just for You, Hotel Price Comparison, Candid Traveler Photos, Forums, Tours Feature, TripAdvisor Flights, Vacation Rentals, Maps, and Trip Watch. [9]

Expedia, Inc. was founded on 1996 at United States of America. There are 3 headquarters at Bellevue, Washington and United States. Expedia, Inc. is an American-based parent company, Hotwire.com, Trivago, Encenia, Venere.com, Expedia Local Expert and Classic.

A small division within Since that time, Expedia, Inc. has evolved into the world's leading online travel company, which includes approximately a dozen of the world's most notable travel brands.

Nowadays, with more than 90 million unique monthly visitors and e-mail subscribers. The sites operate more than 150 travel booking sites in over 70 countries with 35 languages including sites such as U.S., the U.K., France, Thailand and so on. Expedia, Inc. manages and operates websites under 13 other travel media brands such as Hotwire, Hotel.com, CarRentals.com and Orbitz.

Moreover, they provide new service on the mobile application "Expedia Mobile". They receive the good feedback from the 2013 people's voice award. The outstanding technique that uses to encourage people to download the mobile app is "\$ 25 off mobile coupon" that customer uses for discounting \$ 25 when the hotel book on the app. [6]

III. COMPARISON E-COMMERCE COMPANIES

A. *The criteria for comparison*

All businesses try to manage and operate their businesses. A one goal that businesses grow up continuously. For this work, the way to compare with two businesses should consider about their business result.

Therefore, I use such as business strategy, revenue, profit, stock price, and also business size.

For this comparison between TripAdvisor and Expedia, this work use only 6 metrics, Global Rank, Unique Visitors, Page views, Bounce Rate, Daily Page views per Visitor, and Number of Followers, that both websites public on the internet. Actually, it has many measure metrics for online business that are important to success, however, only measure metrics can be used.

Web content and features is one thing that uses to consider the effectiveness of website. Each type of a website has different basic features that should to provide to customers.

After analyzing information, this report summary basic features of online travel agency that should to have and provide to their customers have at least 10 features which this work is to compare between two online travel business includes: 1. Search Options 2. Integration with other online services 3. Image gallery 4. Currency and language options 5. Email customization 6. Voucher and promo code management 7. Real-time bookings 8. Online payment options 9. Anywhere access and 10. Help &Support. [5]

B. *Analyze Data and show the result of comparison*

The data shown types of website users are the same for both gender and age and found that the age of the most users is between 25 and 34 years (32%), followed by 35 – 44 years (20%). The most users are in the United States

(65.30%) Poland (2.81%) and Thailand (1.99%). Business strategy, stock price and business size are some factors that can use for analyzing the business. So, this report has analyzed and identify differences between TripAdvisor.com and Expedia.com.

TABLE I. IDENTIFY DIFFERENCES BETWEEN TRIPADVISOR.COM AND EXPEDIA.COM

TripAdvisor.com	Expedia.com
Business Strategy	
<input type="checkbox"/> Global booking <input type="checkbox"/> Instant Booking Platform <input type="checkbox"/> Plans to aggressively scale and promote this holistic travel platform <input type="checkbox"/> Picking up and create tiny travel companies	<input type="checkbox"/> Global bookings <input type="checkbox"/> Big-ticket digital acquisitions <input type="checkbox"/> Hotel-meta search <input type="checkbox"/> Improving consumer-facing technologies <input type="checkbox"/> Buying premium and winning brands travel companies
Stock Price (NASDAQ)	
\$82.4	\$126.9 -1.56
Business Size (Employee, Partnerships, Brands)	
2,900+ Employee (47 countries) 950,000+ properties 23 Brands	18,000 +Employee (30 countries) 257,000+ properties 13 Brands

After consideration business strategy, it can see that both businesses and global booking worldwide. They use clear different strategy. For TripAdvisor, which focus on creating and picking up. So, nowadays they have brand under Tripadvisor.com around 23 brands. While, Expedia.com focus on buying premium and winning brand travel companies which have already famous to customer. Nowadays, they are only 13 brands. The Number of employees of Expedia.com has clearly higher than TripAdvisor.com. And also the value of the stock has been clearly higher than TripAdvisor.com. For the number of properties (hotel and etc.) and brand, the Expedia.com has less than TripAdvisor.com because they focus on premium hotel and high quality hotels.

For revenue and profit, this work collects data and shows the compare result between 2012 and 2014. (As shown in the table below)

TABLE II. THE REVENUE AND PROFIT COMPARISON

Year	2014	2013	2012
Net Sales or Revenues			
Expedia	5.76 Billion	4.77 Billion	4.03 Billion
TripAdvisor	1.25 Billion	944.66 Million	762.96 Million
Profit			
Expedia	4.58 Billion	3.73 Billion	3.13 Billion
TripAdvisor	1.21 Billion	926.94 Million	750.89 Million

Therefore, after collecting and analyzed information, these data show that Expedia.com have a better business performance, market share, many customer trust and use their service than TripAdvisor.com.

In my view, the Expedia.com is better than TripAdvisor.com in aspect of business result. Because, the

Expedia.com is a prior of travel agency before TripAdvisor around 4 years. So, they have more business experience, market channel and trust more than TripAdvisor.com that make them have a high business result and profit.

This work used metric on online website "http://www.alexa.com/siteinfo" which provides data include: global Rank, Bounce Rate, Page views and Daily Time on Site. By browsing on the website and input the name of the website that you want to measure and then they will show the result of those metrics. For another measure metrics, I access on and collect from the website.

The result was shown as table below.

TABLE III. SHOW MEASURE METRICS OF ONLINE WEBSITE

List	TripAdvisor	Expedia
Global Rank	177	446
Bounce Rate	40.80%	22.70%
Page Views/Daily	3.53 Million	4.98 Million
Daily Time on Site	4:52 mm:ss	7:26 mm:ss
Unique Visitors/Monthly	375 Million	90 Million
Facebook follower	2.6 Million	4.9 Million
Twitter follower	3.05 Million	0.269 Million
Google+ follower	4.6 Million	3.6 Million

The result shows that TripAdvisor.com has a higher global ranking than 40.80% while the Expedia.com only has 22.70%. Moreover, the TripAdvisor has a unique visitors and page views more than the Expedia.com. This value identifies that manage and encourage customer access to their website better than the Expedia.com. Customers interested the TripAdvisor.com more than Expedia.com and make the publishers would also be interested in the TripAdvisor.com more than the Expedia.com.

However, the customer stays in the hotel more than the TripAdvisor.com. So, the Expedia.com might have an activity or interaction with their customer more than the TripAdvisor.com. The Expedia.com has the huge of Facebook followers therefore it might confirm that they have many activities with their customer more than the TripAdvisor.com. For example, the booking for a discount on a hotel website.

For an analysis of the website features, I try to access and real use of two websites and then summary and compare in view of a one customer. Therefore, these results based on these websites. Basic comparison based on how they have or in each feature (follow by scales 0-5).

TABLE IV. COMPARE ONLINE TRAVEL WEBSITE FEATURES

Online travel website features	TripAdvisor.com		Expedia.com	
		Score		Score
Search Options	/	3	/	4 (+ package search)
Integration with other online services.	/	4 (+ Restaurants)	/	4 (+ Cruises, Activity)
Image gallery	/	4	x	0

Currency and language options	/	3 (support 45 countries)	/	4 (support 70 countries)
Email customization.	/	4	/	4
Voucher and promo code management.	x	0	/	5 (get an extra 10% off with member pricing)
Real-time bookings.	/	5	/	5
Online payment options.	/	5	/	5
Anywhere access.	/	5 (Mobile app, Websites)	/	5 (Mobile app, Websites)
Help & Support.	/	4 (Help center, Social connection, feedback)	/	5 (FAQ, Social connection send feedback, Hot line)
Total Features (10) / Score (50)	9	37	9	41

After analyzed, I found that the TripAdvisor and Expedia have equal website features at 9 features. The Expedia.com no have image gallery while the TripAdvisor.com is no longer a discount. After following the travel features, I found that the Expedia.com has interesting features and ease of use. Especially, the promotion was encouraging me to use service from this website. Moreover, they have easy help and support while customer booking and after booking that make me trust in their service.

IV. CONCLUSION

In summary, after collected and analyzed information of both TripAdvisor.com and Expedia.com which are top travel agencies throughout the world.

In my view, the Expedia has better business performance in aspect of revenue, profit, stock price and business size than TripAdvisor.com. moreover, the Expedia has ease of use and website features more than

TripAdvisor.com. Although, the number of unique visitors, page views or conversion rate of the Expedia.com less than the TripAdvisor.com, these results just were primarily identifying website success which can't show the real success of the business.

However, the search for a website or page views of the Expedia.com less than competitors. May be the reason for the channel is "Orbitz". They should update and review their strategy because TripAdvisor are quick impelling and fast running.

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