

Analyzing Search Behavior Lifts Sales For United Airlines

By Robin Simkins

It's no secret that consumers are going online to book travel. Nearly one-third of all online purchases are travel related, according to a recent study from the National Retail Federation and its Shop.org unit, which also reports that online travel sales hit \$62.8 billion in 2005.

While online travel sales show no signs of slowing down, a proliferation of outside influences and a shift in the way consumers find and book travel has changed the landscape for long-standing players like United Airlines.

Consumers have gained unprecedented control over travel – often jumping from one site to the next to compare prices. Add to that, the fierce battle for consumers' attention as marketers continue to embrace the search marketing channel, adding thousands, even millions of keywords to their programs.



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For United, understanding consumer intent and behavior has become a competitive advantage. By digging deeper into searcher intentions and preferences, United has been able to streamline its communication, reaching consumers in every stage of their research and delivering the right ads based on the intent of the searcher.

This more targeted approach has helped United more than double search-driven sales in the first quarter of 2006 year-over-year, without increasing its search budget.

Purchase Cycle Interaction

While most marketers focus primarily on the search that leads directly to a purchase, consumers often conduct many searches before making a decision. The recent DoubleClick Touchpoints III study found that 65 percent of consumers conducted three or more searches before they made a travel decision, and 29 percent conduct five or more searches.

It's also important to understand how consumers reach decisions.

DoubleClick's Search Before the Purchase study found that travel buyers often start searching 10 weeks to 12 weeks in advance of a purchase and often conduct generic searches all the way up to the decision and then convert on a

branded search. In the case of United, it could mean a searcher started out looking for "cheap flights" and based on his or her order research, inputted "United" in the search right before the purchase.

Marketers that don't interact with consumers early in the purchase cycle, miss the opportunity to influence consumers when they are actively researching and adding brands to their consideration set.

However, most marketers evaluate the success of search marketing programs based only on the click that led to the final purchase. That's because when buyers convert off of a branded search, they essentially hide the value of the previous generic searches from most return on investment analyses. Therefore, generic terms are perceived as having a higher cost, while converting at a lower rate and consequently get ignored or aren't bid to high positions.

Non-brand terms like "flights," "business class tickets" and "airline tickets" can be particularly expensive in the highly competitive travel business. So, Performics, United's search engine marketing agency, helped the airline find a cost-effective way to add more non-brand keywords to its program.

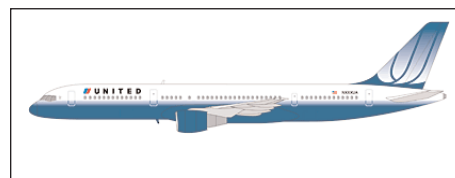
Performics discovered that conversion rates were higher in parts of the country that were considered major United hubs, like Chicago. Instead of bidding on generic keywords on a national level, Performics built out generic keywords for major United hubs and then used Google's IP targeting tool to serve ads to consumers searching on generic travel keywords in those hubs.

The targeted nature of the generic keyword program has helped United grow click volume, while minimizing a decline in conversion rates. Investing in generic terms has contributed to a 300 percent increase in the brand impressions and the brand clickthrough rate since the beginning of the year.

Copy Testing: Consumer Interaction with Messages

Another way United is digging deeper into consumer behavior is through copy testing. Often marketers use the same messages or strategies online as they do offline. This approach doesn't take into account the differences in the way consumers interact with offline versus online marketing messages.

Offline, it's typically a push scenario, with companies trying to generate aware-



ness for their products. Online, however, it's a pull scenario, where consumers are actively researching products. If you send consumers a general message when they are looking for something specific or, in the case of United, send them lowest price fare messaging when they are looking for business travel information, you could miss the opportunity to connect with those consumers' needs.

Instead of serving the same promotion or fare copy to everyone, Performics is helping United identify copy that resonates best with consumers searching for specific keywords.

For instance, the intent of a consumer searching for a destination term ("flight to Denver") may be different than a consumer searching for a brand term ("United.com") or a price-driven term ("cheap flights"). By testing different copy options, Performics is helping United serve more relevant messages to searchers based on the keywords they input.

The tests don't just look at the number of conversions, but also the combinations that convert customers at the best possible rate. This takes into account ticket price.

United, for example, has been focused specifically on reaching high-value customers, including business travelers. In its offline marketing, United has been promoting "five or more inches of legroom in United Economy Plus." The legroom message is geared toward frequent fliers and travelers that are willing to pay extra to be more comfortable.

The airline understands that if it only serves price-driven copy across the board, it could miss opportunities to connect with consumers who are willing to purchase a more expensive ticket.

United has found that by identifying patterns of search behavior amongst different categories of consumers, the airline can more effectively and efficiently connect with potential customers.

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