

WAKING UP TO THE USEFULNESS OF WEB 2.0

WHAT IS WEB 2.0?

The travel industry embraced the internet as a medium to promote their offerings. Marketers have become successful at driving traffic through the internet so consumers can find travel information, book hotel rooms, reserve hire cars and purchase airline tickets. This is accessing published material known as WEB 1.0. The technology guru Tim O'Reilly confirms that the web used to be about publishing, now this has moved on. The web is now about participation which encourages the users to become involved. So user generated content (UGC) will dictate the future.

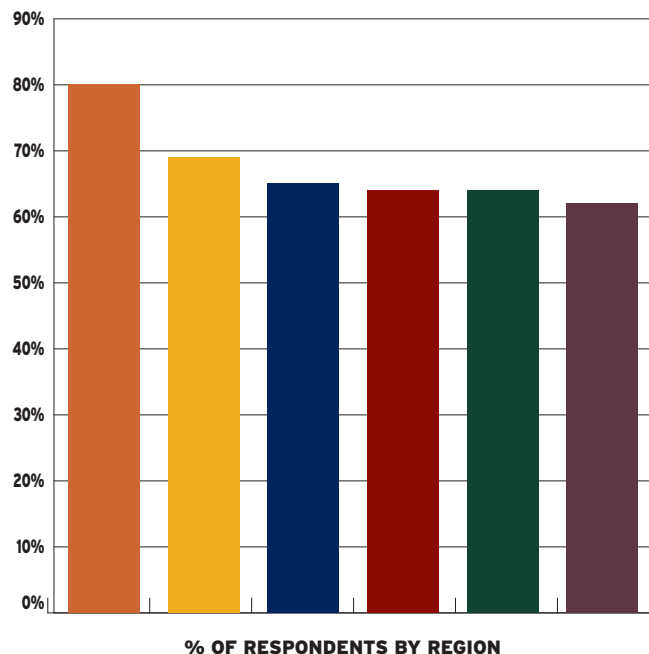
WHERE DOES THIS INTERACT WITH THE HOTEL INDUSTRY?

Dr Murphy at Ecole Hôtelière de Lausanne conducted a survey on the topic of pre purchase information impact. Respondent results indicated that the highest ranked driver of hotel selection for all age groups is a friend's positive comment. More importantly most age groups actively engage in publishing comments and photos about hotels in their social media networks.

Word-of-mouth communication particularly viral methods now dominate consumer choice alleviating perceived risk in pre-purchase choice.

EHL identified that those individuals who classify themselves as experts will be more likely to publish their opinions on-line. However, word-of-mouth communication even when transmitted by viral marketing in a social networking environment may not always be positive. Academic research by Bansai & Voyer (2000) indicates that an expert's opinion does influence the consumers purchase decision. TripAdvisor.com suggests that with the volume of reviews they receive for a hotel it will be extremely difficult to manipulate the hotel review by either multiple submissions from the hotel or multiple submissions by a dissatisfied guest.

MCKINSEY GLOBAL SURVEY DETAILING INVESTMENT IN WEB 2.0 TECHNOLOGIES WITHIN NEXT 3 YEARS



- INDIA
- ASIA-PACIFIC
- EUROPE
- CHINA
- NORTH AMERICA
- LATIN AMERICA

The use of WEB 2.0 technologies by hotel organisations will increase in 2008. The survey respondents from the HeSB 2007 report indicate that they have plans to include photo sharing, surveys and comment cards on their websites as well as creating profiles on social networks like Facebook and MySpace.

Like any gathering of consumers WEB 2.0 offers an opportunity for marketers to transact commercial business with these consumers through social networks. The big difference for hotel companies is that the WEB 1.0 was a one-way communication where the hotel controlled the input of information, WEB 2.0 allows two-way communication so the consumer

now also has the ability to input comments or information. The principal concerns that organisations face with the growth of WEB 2.0 are:

- Reputation management
- Maintaining openness
- How to harness the power of the crowd
- Monitoring the content of discussions
- How to respond

HOTEL WEBSITES:

Since 1995 when the first internet reservation was performed this medium has become the premier tool for marketing a hotel companies offerings. During 2007, 35% of bookings were generated via the internet. From this percentage 62% were executed on the hotel branded website. Confirming that the hotel branded website is now the vehicle for the higher volume of transactions as the HeBS 2007 survey indicates.

FROM HOTEL WEBSITE	FROM 3RD PARTY WEBSITE
23.5%	20.4%

Source: HeBS, survey business emanating from internet.

The highest recorded comments concerning on-line marketing by hotel companies centred upon the issue of website optimisation along with search engine optimisation. The ability of consumers to find the website, access the website then complete the reservation is essential for successful on-line booking.

PROBLEM:

With the explosive growth of own brand website promotion, what if the hotel website goes offline how much revenue will be lost?.



CYPRO: INSURANCE SOLUTIONS FOR THE INTERNET ERA

The threat of loss of data and systems failure may significantly damage business reputation and in turn seriously undermine public confidence in a company's brand and products.

Willis's Cyber Asset Protection Insurance has been developed to protect intangible assets, reduce liability exposures. This cover includes Recovery Costs and Business Interruption. Loss where no physical damage to systems occur.

Key Policy Cover:

LOSS OR DAMAGE TO ELECTRONIC DATA AND/OR PROGRAMMES:

- By malicious acts, unauthorised access / unauthorised use
- By malicious code, including viruses, worms and Trojan horses
- By denial of service attack
- By operational error
- Resulting from electrostatic build up, natural disasters, support system (power, air-con, data-lines)

OUTSTANDING FEATURES:

- Includes third party outsourcing partners
- Covers income loss, interruption expenses and special expense during restoration

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