

'Where the US goes, Europe will likely follow' - By Ritesh Gupta, Global Correspondent, EyeforTravel
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In 2007 search engines in the US strengthened their Web 2.0 applications, in some cases via inorganic growth through acquisitions of social networking, review/ ratings sites and UGC sites.

Considering such developments in the US, EyeforTravel.com's Ritesh Gupta recently interviewed **Ray Nolan, CEO, boo.com** to assess how Europe is gearing up to embrace such strategy especially when boo.com, too, is all about collective wisdom.

"Where the US goes, Europe will likely follow. The added complication within Europe is diversity of language and culture. UGC works well in the US because it is predominantly in English. Building pan-European 2.0 brands will take longer as one has to achieve the viral effect in each jurisdiction. To date there have been notably few inter-lingual success. Indeed, basing our 2.0 offering on the boo.com url is a signal that we wanted to use a brand name that posed no problems across languages. We anticipate boo to reach the 23 languages that we cover within our other branded sites like hostelworld.com in the near future. "Our 2.0" is about more than community and UGC ... it's about interfaces too, and providing websites that move and interact with the customer in ways previously unheard of," said Nolan.

Noland also spoke about revenue model of web 2.0 companies and much more. Excerpts from an interview:

It is being felt that Revenue Model is still unproven for most web 2.0 companies but online communities present a large network of distribution for promotions and cross selling opportunities. How do you assess the situation currently?

As far as UGC goes, 2.0 and real revenue co-exist within travel already. It is perhaps the industry that first monetised UGC with sites like hostelworld.com and tripadvisor attracting people with millions of reviews ... getting them to transact whilst there, or delivering them relevant advertising as they read. The next generation of travel communities will go beyond the wisdom of crowds and move to what I call the wisdom of friends. Sure - the average review is useful in a vacuum, but if a friend has written something, I will trust this above all else.

Consumers are becoming ever more demanding, particularly in recent years, what with the explosion of the internet and online web 2.0 applications. With social networking inherently encouraging the sharing of information among the user community, how are the expectations and the attitude of the consumer changing accordingly?

Sites like boo are at the forefront of travel 2.0. People expect to see open positive and negative reviews adjacent to brochure content. They expect to see maps and mashups. They expect to see prices for sure, but having given them comprehensive search, reviews, comparison we give them the direct link to the hotels own site where they can see more, and book direct if they wish.

Communities can define your identity and your brand. Consumers recommendations generate highest levels of trust, vis a vis channels such as brand websites and email signed up for. Where do you think this places independent UGC sites in the travel industry?

Hostelworld was the first site to elicit reviews from people in 2000. In the absence of an index as to how good a hostel was, no star ratings or Michelin guide, we set about building our own rating system... one which was built on reviews by people who actually stayed at properties. It has been a tremendous success, and our customers feel a great sense of loyalty to the rating system... "I picked my hostel based on the rating others helped create, therefore I will add my review to help the next guy". Boo.com goes further, allowing people store their entire travel history and ratings of hotels, restaurants, sightseeing etc. People within their network have an immediate pre-built travel guide to all the places all their friends have been. In time, we will build out a solution which actually helps people decide what country, city or resort to visit, based on what their friends have written, and criteria like time in the air, proximity to beach etc etc.

UGC sometimes gets some bad rep, because it can be difficult to regulate it and companies are frightened that their brands will be positioned in a negative light, or next to content that is in their perspective - inappropriate. So what sort of benchmark or barometer social communities provide to suppliers?

Realistically you cannot please all of the people all of the time. In reading brochure content, or positive comments only, customers are naturally inclined to distrust. Occasional negative comment can work in your favour "I'm gonna book it anyway, that reviewer sounds like a crackpot" or "that persons reason for travel were different to mine, so the negative things they said will not be a problem for me" or simply "it's the right price and the right location, so I will take my chances". With Boo.com the reader can quickly get a sense of how well travelled a person is, or read reviews of other places he's been in order to get a sense of what kind of person wrote the review and thus whether they will ignore it, or place emphasis upon it.

Is it easy to estimate what demographic do social networking sites appeal to?

Certainly social networking in its truest form is for the 15 -25 age demographic. Positioning a site with social networking as a key component can alienate the more mainstream audience. However, they will write reviews, and are perhaps the best placed to do so and in essence they will network socially. They are less likely to attempt connections to people they have never met, or answer messages left on their pages, but they are happy to share opinions using the term "social network" will

frighten them off. In time, I see the silver surfers as key contributors to sites they travel a lot, and will adopt sites on which to publish their opinions.

A recent Jupiter survey revealed that 69% of consumers don't trust social media sites. What's your viewpoint regarding the same? But then why Tripadvisor is as successful as it is today? Your viewpoint?

The Boo.com Travel Trust Index says that people very much trust the opinions of other expressed on sites like ours and are more likely to do so if they get a sense that the person is well travelled. Standard social networking sites can be about creating a persona, real or fake, and posting thoughts or gossip. Travel social networking is about sharing opinions. There is no reward for faking travel reviews but a fake persona on MySpace or Bebo can win 10,000 friends.

boo.com research discovered that only 13% of people trust travel agents and brochures over online reviews. If this is the case, then where is the distribution headed?

Travel agents in the past were well commissioned. They travelled to the destination, visited the actual hotels they were selling. As commission has fallen, and junkets less and less the norm, I feel that customers get less value add from the travel agent, and time-permitting will research and book travel themselves. There are certain niches where TA's will still do well the very top end, where people have specific requirements, and family travel, where flights and rooming requirements are often difficult.

Where do you see boo.com headed in the next year or so?

We will continue to refine the site until we feel it's the best it can be. When we are happy with it we will introduce two-three million existing hostelworld customers to the social network. People who have perhaps grown past using hostels, and seek more mainstream hotel experiences. We will add brochure and UGC video, and try to push the technology barriers with dynamic advertising and new telephony options. And of course, it will be multi-lingual! We will have succeeded when Boo.com is the global travel search and comparison engine of choice. In time it will make no bookings, instead delivering customers to hotels or airlines websites where they can book without the involvement of an intermediary. For suppliers this will mean a drastic reduction in distribution costs, with bookings arising from highly targeted pay-per-click traffic rather than high OTA commissions. We anticipate this will reflect in better prices for consumers too as commission and booking fees become a thing of the past.

In case, you would like to know more about UGC check out **EyeforTravel's Social Media Strategies Travel 2008 Conference being held in San Francisco on March 5-6, 2008** at: www.eyefortravel.com/ugc

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