Online Tourism Marketing in a Global Market

Bing Pan, Ph.D.
Office of Tourism Analysis
Department of Hospitality and Tourism Management
College of Charleston

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Today’s Topic

• The nature of globalization and what it means for tourism

• The Long Tail Theory

• **Search engine ranking and search engine marketing**
The World Is Flat
• The driving forces
For Businesses and Consumers...

• Outsourcing...
• Supply chaining...
• In sourcing...
• In-forming...
Globalization For Tourism...

Pros

• Consumers’ increased amount of choices
• Reach of a global market – online marketing
• New opportunities for emerging market - Asian Pacific

Cons

• Increased competition among destinations
• Peril local culture
The Country with the Largest Internet Population...

Internet usage mushrooms in China

China could surpass the United States to have the world’s largest number of Internet users in two years, according to state media Wednesday.

Sources: AFP/CINIC
Travelers in China...

• According to the China Internet Network Information Center (CNNIC) survey conducted in 2007:
  – 7.4 % of Chinese Internet users make online reservations for all their trips;
  – 42.1 % of them make both online reservations and offline reservations;
  – 97.7 % of Internet users have either searched travel information online or made an online reservations.
For Tourism...

• Trends of anti-globalization...
  – The issues with secure borders
  – Global terrorism and stricter visa policies
One Result of Globalization...
Chris Anderson: the Long Tail Theory

Once upon a time in a bar...

80-20 rule

99% of the songs...
An Amazon employee:

"We sold more books today that didn't sell at all yesterday than we sold today of all the books that did sell yesterday."
• Shelf space is expensive - stores only stock the likely hits

Online retailers (from Amazon to iTunes) can stock virtually everything - the number of available niche products outnumber the hits by several orders of magnitude

Those millions of niches are the Long Tail, which had been largely neglected until recently in favor of the Short Head of hits.
our culture and economy is increasingly shifting away from a focus on a relatively small number of "hits" (mainstream products and markets) at the head of the demand curve and toward a huge number of niches in the tail.

Netflix now funds independent movie projects
The Great Internet

- Democratic power of the Web (Lupia and Sin, 2003)
  - The World Wide Web [...] allows individuals, even children to post, at minimal cost, messages and images that can be viewed instantly by global audiences. It is worth remembering that as recently as the early 1990's, such actions were impossible for all but a few world leaders, public figures, and entertainment companies and even for them only at select moments. Now many people take such abilities for granted
A problem with Visibility and retrievability
Search engines...

• Relatedness of information

• The primary way of finding online information... and knowledge...
Purchasing Online using search engines, 2005

Percent of Online Purchases Initiated by a Search on a Related Keyword, by Category, 2004

- **Travel**: 73.0% Searched, 27.0% Did not search
- **Computer hardware**: 56.4% Searched, 43.6% Did not search
- **Apparel**: 50.2% Searched, 49.8% Did not search
- **Sports and fitness**: 46.3% Searched, 53.7% Did not search

Source: comScore Networks Inc. commissioned by DoubleClick, February 2005

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Which search engines do you need to work on?

<table>
<thead>
<tr>
<th>Provider</th>
<th>Searches (000)</th>
<th>Share of Total Searches (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Google</td>
<td>3,906,877</td>
<td>52.7</td>
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<tr>
<td>Yahoo</td>
<td>1,496,137</td>
<td>20.2</td>
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<tr>
<td>MSN/Windows</td>
<td>985,706</td>
<td>13.3</td>
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<tr>
<td>Live</td>
<td></td>
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<td>AOL</td>
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<td>Ask.com</td>
<td>152,268</td>
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<td>My Web Search</td>
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<td>My Way</td>
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<tr>
<td>BellSouth</td>
<td>30,868</td>
<td>0.4</td>
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<tr>
<td>Comcast</td>
<td>30,467</td>
<td>0.4</td>
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<tr>
<td>Dogpile</td>
<td>30,452</td>
<td>0.4</td>
</tr>
<tr>
<td>Other</td>
<td>263,431</td>
<td>3.6</td>
</tr>
<tr>
<td><strong>All search</strong></td>
<td><strong>7,412,712</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Source: Nielsen/NetRatings, 2007
Google Marketing

Organic Listing

Paid Listing

Paid Listing
How Google ranks documents? First, Google Failure phenomenon…

• Type in “Failure” in Google…
President of the United States - George W. Bush
Biography of the president from the official White House web site.
www.whitehouse.gov/president/ - 24k - Cached - Similar pages

Failure Magazine
Failure magazine is an online publication covering arts & entertainment, business, history, science & technology, sports and other aspects of the real world ...
www.failuremag.com/ - 2k - Cached - Similar pages

FAILURE
A loose confederation of cartoonists who have one thing in common: an independent spirit. Contains message board and comics-related links.
www.failurecomics.com/ - 19k - Cached - Similar pages

Welcome to MichaelMoore.com!
Official site of the gadfly of corporations, creator of the film Roger and Me and the television show The Awful Truth. Includes mailing list, message board, ...
www.michaelmoore.com/ - 26k - Sep 19, 2006 - Cached - Similar pages

Failure - Wikipedia, the free encyclopedia
Failure (or flop) in general refers to the state or condition of not meeting a ... A commercial failure is a product that does not reach expectations of ...
en.wikipedia.org/wiki/Failure - 24k - Cached - Similar pages

Heart Failure Society of America
How Search Engines Work
Search Process

Like most search engines, Google is continually “crawling” through the web cataloging and storing the billions of pages there. When you search for something, the system calls up these cached pages so that it can respond to you quickly.

1. After entering your query,... it is sent to the Google web server.
2. The query is sent to the index servers.
3. The query travels to the document servers which retrieve the stored pages.
4. Snippets are generated to describe each search result.
5. Search results are returned to you, 10 to a page.

The whole process takes about half a second.

Using PageRank software (named after Google co-founder Larry Page), the system measures the importance of a page by solving an equation of more than 500 million variables and two billion terms. It then displays a ranking of the best known and most visited pages. Since these pages have the most complete information on the given subject, they are the ones you’re likely to want.

This is a network of more than 10,000 computers linked together and connected to the Internet.
Traditional Way of Ranking Documents

URL text
Formats of text
Frequency of keywords
Link anchor text
Meta title and keywords
Problems

Bing’s Homepage

College of Charleston Homepage
When Larry Page is working for his dissertation

...
PageRank Algorithm: College of Charleston?

- CofC’s Homepage
- Bing’s Homepage
- Bing’s wife’s Homepage
- Department of Education
- SC State Government
- Robert’s homepage
- College of Charleston Homepage
- U.S. News
Google ranking algorithm…

• Basic concepts discussed; More than 500 million variables

• Clickstreams to fine-tune the ranking

• Changes every day

• Continuing battling between Google and Google farm
Implications for marketing…

• Develop better reputations among your friends and partners

• Incoming link campaign

• Content rich information

• Appropriate keywords, formatting, and link anchor

• Monitoring your company’s performance on search engines

• Search engine optimization
However… Googlearchy!

- Visibility ties to number of inbound links
- A few heavy linked political web sites dominate online visibility
- Winner takes all! – Hinderman and etc. 2006

- Search engines return most popular results
- Retrievability and visibility
Blogs as an alternative of online discourse to overthrow the Googlearchy…

• Short for web log
  – a web-based publication consisting primarily of periodic articles (normally, but not always, in reverse chronological order).

• Weblog users trust blogs more than traditional media (Johnson and Kaye, 2005)
The Google “Failure” phenomenon

• Dick Gephardt coined “miserable failure” in Sept, 2003
  – “This president is a miserable failure. This president doesn't get it…”

• Left-wing bloggers linked the words “miserable failure” to Bush’s bio page

• The right-wing bloggers’ counter-attack
• Google Bomb (Google wash): a certain attempt to influence the ranking of a given page in results returned by the Google search engine.

— Google bombing as social movements – Search Engine optimization goes awry…

• Creating alternate constructions of *reality* through collective action online (Tatum, 2005)
Google AdWords
– Cost of AdWords

– Nominal fee of $5;

– Cost-per-Click from $0.01 to $100
  • Pay whenever someone clicks on your ad

– Cost-per-Thousand Impressions from $0.25
  • Pay whenever someone viewed your ad

– Bidding structure
• Most expensive AdWords:
  • mesothelioma –
    a type of cancer caused by exposure to asbestos
    $100/click.
  
  – Click fraud
  
  – http://adwords.google.com
This class is online marketing…

• The effects of globalization on tourism

• Long tail theory: emergence of niche markets

• Search engine ranking and search engine marketing methods