

Unlocking Success Through SEM: A Case Study of a Travel Agency

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Introduction

*“The fittest person survives! The fighting man succeeds!
He who Fights to Fit, will Survive to Succeed!”*

- Israelmore Ayivor

ABC, a small travel company started in 2010 and operating in a well-known southern city of India had everything that any common man would believe to be passable for being successful - The right city, variety of well-maintained vehicles, good drivers, experienced guides, association with many prominent hotels and an efficient back office. But Arun, the proprietor of ABC was worried as his business even after one year of existence was yet to realise profits. End of the first year, Arun understood that his survival was at stake if he does not do something to make his presence felt in the market. After analysing various options he resorted to Adwords, the flagship Search Engine Marketing (SEM) service of Google. Today, ABC is a well-known and established travel agency operating in more than one city. Although Arun feels that his travel agency has a long journey to travel, whatever position that it has achieved today in the market is attributed by Adwords.

Search Engine Marketing (SEM)

The Search Engine Marketing (SEM) involves bringing the company's website at the top of potential customer's search results page. This is usually done using a combination of paid advertising and search-engine optimized website design.



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Search Engines are gateways to the internet and help in retrieving the information from the vast repository of websites available on WWW. Search engines like Google, Bing, Yahoo etc., are the most visited websites in the world. As per the information furnished on iAcquire's website (URL: <http://www.iacquire.com>), 94% of online shoppers conduct research before purchasing and 61% of online shoppers use search engines to discover information when shopping online. The reason for search engines becoming the first level interface to access WWW is the ease in getting the required information as anyone who types even the most enigmatic phrase on search engine, gets a response. With a handy list of search results, shoppers can browse and research about the product/service before availing it. Rightly or wrongly, users view search rankings as a validation of a company's popularity and importance, and rightly or wrongly, this raises the importance of search engines to any company.

Although most companies have a web presence in the form of Websites, Blogs, Facebook pages, many companies leave the opportunity provided by the search engines untapped, oblivious to the amount of business they lose, unaware that their rankings are something they can influence, or mystified about the manner in which they can do so.

Search Engine Companies and their SEM Services

Among hundreds of search engines available on the web, Google, Bing and Yahoo have found to be the most popular ones. Google has the major market share and as per many studies Google was found to be the most used website in the world.

Different search engines have different architectures and work differently, but primarily all search engines have a mechanism to crawl WWW and a method to maintain an index of webpages on their servers. Each search engine has its proprietary algorithm to display the search results based on its own rules of relevancy, using mathematics, psychology, linguistics and informatics. As the information services provided by most search engines is free, they sustain on the paid contextual ads.

Table 1 :
Major Search Engine Companies and their SEM services

Company	SEM Service
Google	Adwords
Bing	Bing Ads
Yahoo	Yahoo Ads

Google Adwords

It is Google's main advertising product and main source of revenue. As per Wikipedia, Google's total advertising revenues were USD\$42.5 billion in 2012. AdWords offers pay-per-click, that is, cost-per-click (CPC) advertising for text ads. The AdWords program includes local, national, and international distribution. Google's text advertisements are short, consisting of one headline of 25 characters and two additional text lines of 35 characters each.

Google Adwords is a Search Engine Marketing (SEM) tool which focuses on placing contextual ads on Google and Google's affiliate websites. Google Adwords is not related to natural or organic ranking of websites in the search engine results page and instead are related to paid ads which are placed in a separate sponsored pane in the search engine results page.

"Organic" or "natural search" results are the ranked list that appears in the main body of a search engine's results page. Having a website does not guarantee that it would be listed on the search engines result page as the display is dependent on the architecture and the website's user friendliness to the search engine. The process used to improve the website's natural ranking by working on the content/architecture of the website and making it friendly to the search engine is referred as Search Engine Optimization (SEO). Considering the tough competition involved in placing the website on top of the natural ranking, SEM tools like adwords have become the widely used strategy to make the company's presence felt on the web.

As depicted in Figure 1, configuration of Google Adwords starts with the keyword-research, which entails studying the targeted customers' behaviour and anticipating the keywords that the prospective customers would key in to search the products/service that the company is offering. The next step involves designing the ad keeping in mind the constraint pertaining to the character length and at the same time making it strategically fit to maximize the click-through-rate. As google adwords facilitates paid ads, the bid for each keyword needs to be specified. Also, to ensure that the advertiser has control on his spending on ads, Adwords allows the advertiser to fix the daily budget. After completing the configuration of the campaign, the ads are displayed on Google in response to the keywords that have been mapped with the ad. However the frequency and the position of ads in the sponsored ads pane would be governed by the value of bid and the daily budget.

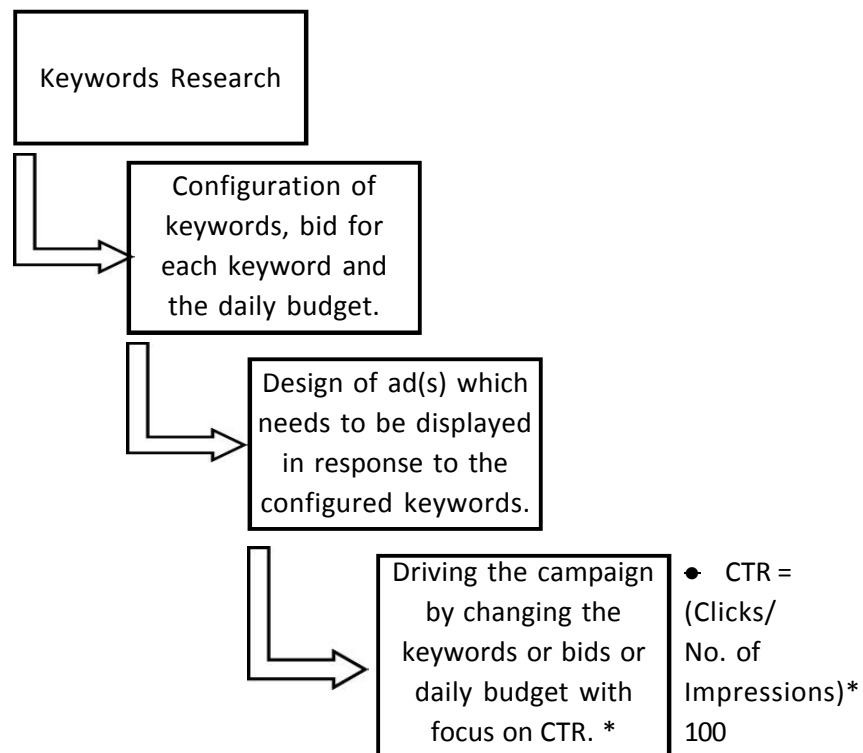


Figure 1: Steps involved in configuration of Google Adwords.

Problems Faced by the Travel Company.

The proprietor of the travel company had assumed that his company had all the characteristics to be a successful business. The city where the company had started his business was a famous tourist destination and a state festival that is celebrated in that city is world famous. The other parameters that influence growth of a travel company like experience drivers, variety of good vehicles etc., were also ensured by the proprietor. But to the company's dismay, the business environment was not as conducive as the proprietor had expected.

Although the city was considered to be a famous tourist destination, the influx of tourist was generally only during the state festival that was celebrated in the city.

The city had mushroomed with many travel companies and price was the key tool used for competition.

Few national players were also operating in the city with help of some local agents.

Regarding booking of hotels, as most hotels had put up their own websites, the role of travel agents as Infomediaries was diminishing.

As far as rail and air ticketing is concerned, which was one of the avenues for revenue, the ability of airline companies to market directly to consumers increased the pressure on travel agents to retain their traditional role as intermediaries.

The Approach Used by the Travel Company to Reposition Itself in the Market :

Considering the various issues that were generally prevailing in the travel business and the specific problems that the travel company –ABC was facing, the proprietor realised that for his company to stand out or for that matter even get noticed in the market, he had to advertise. As the major business was from tourists, advertising locally would perhaps not have helped much. On the other hand advertising at the national level and competing with the bigger players would entail a lot of money. Hence the proprietor was looking for a

solution to grow quickly on a small budget. It is in this context, the one of Arun's friend suggested him to try Search Engine Marketing.

Having a website has become the norm of travel business, ABC also had a website but was not helping in improving the bottom line. Hence based on his friend's recommendation, Arun contacted a web consultant to try his hands with SEM. Considering the major market share and popularity of Google Ads, the consultant suggested him to configure Google Ads. Figure 2 depicts the various aspects that were involved in improving the web presence of the travel company.

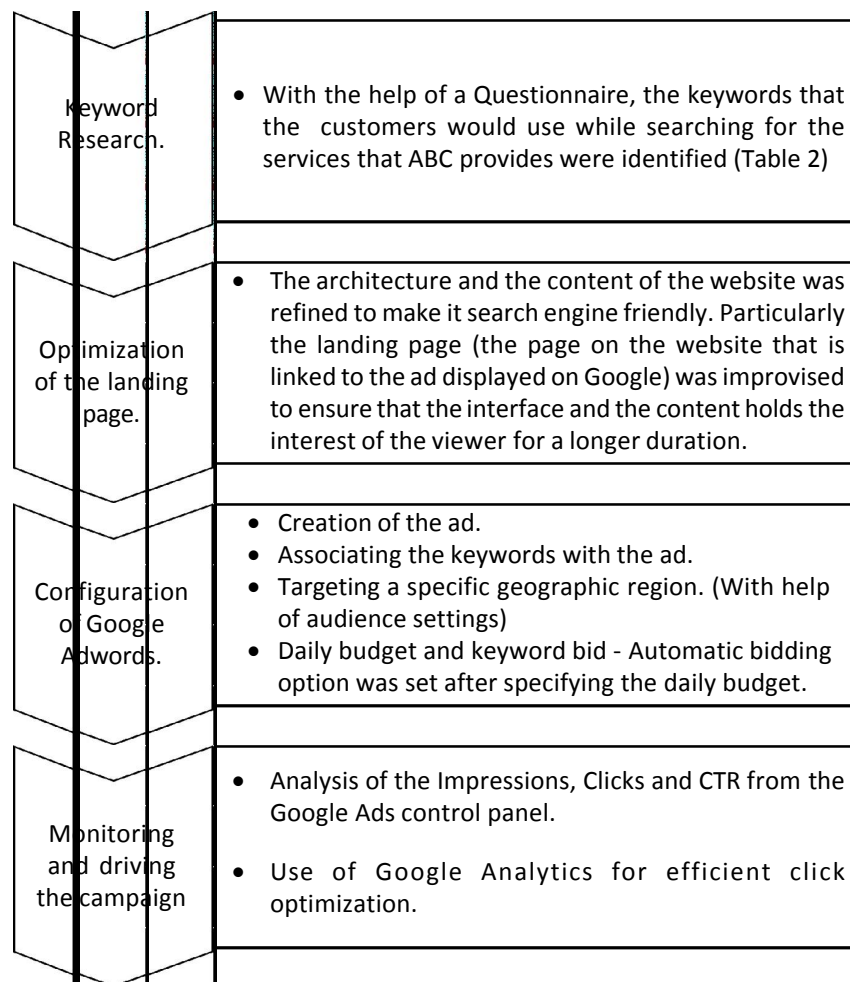


Figure 2 : The process devised to improve the web presence

Table 2 :
The Keywords configured with the Adwords

X → Name of the City where the Travel Company (ABC) Operates.		
Cars in X	Hire Taxi	X Tourism
Cabs in X	Travel Agents in X	Tours and Travels in X
Taxi in X	Travel Companies in X	Holidays in X
Vacation in X	X Airport Pickup Drop	Packaged Tours in X
X Sight Seeing	Hotels in X	Resorts in X
Air Tickets in X	Rail Reservation in X	Tour Guides in X

Although during the initial configuration of Google Adwords, the keywords used were based on the questionnaire's data, the campaign got impetus in true sense with help of Google Analytics. Google Analytics helped in analysing the visitor traffic and paint a complete picture of the audience and their needs. Google Analytics helped in tweaking the keywords and improve the CTR and eventually the number of leads. Also, with the advent of attribution modelling in Google Analytics, the travel company besides focusing on the last click keywords could also add the keywords which initiate or assist in sales.

Is the Travel Company Traveling in the Right Direction?

Every organisation irrespective of its size and nature faces economic, social, political and technological pressures. Organisations are expected to react both fast and efficiently to these pressures to survive in the market. Information Technology has played a pivotal role in helping many organisations to withstand such pressures. On the other hand Information Technology itself has become a major pressure as it has changed the way we do business. Internet and other developments have transformed the role of travel agents.

Web presence has become the norm and most travel agencies have their websites. But they fail to maximise their return on investment on their web sites as they do not reach to their prospective customers.

In the above context, the approach used by ABC Travels has proven to be successful. But just like website have become common, there has been a growing awareness of SEM and hence many other companies are also embracing it. With this backdrop can Arun continue to use the same formula to be successful? How should he stand out in the competitive market? Will the other developments like social media have any repercussion on his existence?

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