



# Radio Helps Travelocity.com Take Off

## OBJECTIVE

Increase traffic to Travelocity.com, the world's largest online travel site, by highlighting its industry-first features, including Best Fare Finder.

## MEDIA STRATEGY

Reach a nationwide audience of potential travelers, with an emphasis on consumers in the "top-wired" cities. Find a medium that allows enough time and space to tell the complete Travelocity.com story.

## RADIO PLAN

Buy network :60s in combination with spot Radio, then, use the merchandising credits from the network buy to fund promotions in hand-picked markets.

## RESULTS

An immense leap in traffic, sales and brand awareness.

Travelocity.com demanded a lot from its advertising. First, it had to persuade online consumers that making travel arrangements on The Web was easy and financially attractive. Second, it had to make sure that Travelocity.com itself became synonymous with online ticketing. Third, the advertising had the rather time-consuming task of calling attention to Travelocity.com's exclusive features, including the Best Fare Finder. And it wouldn't hurt if the advertising were efficient enough to keep the site's customer-acquisition costs below the industry average.



Radio proved to be just the ticket. "Radio was, and still is to this day, the foundation for our media campaign," said Michael Stacy, svp of consumer marketing for Travelocity.com, which has grown into the world's largest online travel site — and the third largest Web site overall — since being launched in early 1996.

Back then, before the dot coms were flush with cash, Travelocity.com's marketing efforts were rather modest. But all that changed in March of 1999. "As more dot coms proliferated and more travel-related sites started popping up, we recognized the need to really get our brand out," Stacy recalled.

But he wanted to do more than build brand awareness. Travelocity.com had developed many industry-first features on its site, and those features needed to be highlighted in the advertising. The problem was, Stacy said, "there was no quick way to explain them to consumers. Radio is a tremendous environment, in that, it allows us enough time to talk about the features that separate us from our competition".

To that end, :60 network spots were created, that both branded and underscored Travelocity.com's individual features. "The :60 format allowed us to explain, in some detail, what we're about and then highlight a unique product offering," he said. Beyond the longer format it provided, the network buy was attractive to Stacy because he needed a national media bedrock. "With the Internet, there are no geographical boundaries. Our brand is accessed 24 hours a day, seven days a week, from all over the world. And Radio is a great way to blanket the whole country," he said.

From there, Travelocity.com hand-picked the "top-wired" markets for spot buys and arranged for customized local promotions in those markets, using the merchandising credits they had earned with the network buy.

One Radio promotion Stacy particularly liked required listeners to go to the site, get hands-on experience using the Best Fare Finder, then identify the lowest fare from, say, Atlanta to Las Vegas. The tenth caller with the correct fare won free tickets.

So, did it all work? As it turns out, because Travelocity.com had done so little offline marketing prior to its March 1999 "relaunch," it had a very sharp baseline from which to measure its effectiveness. Simply put, Stacy said, "Once we launched Radio, that's when we really started to take off."

In just the first two quarters of 2000, for instance, Travelocity.com's sales totaled 94% of their entire 1999 total — slightly over \$1 billion. In addition to increased traffic to the home page and a huge jump in sales, "our brand awareness increased significantly as well," he said, including unaided brand awareness.

And while the average Internet site spends \$82 for each customer acquisition, according to Boston Consulting Group/Shop.org, Stacy said Travelocity.com's customer-acquisition cost for the second quarter of this year was less than half of that.

"Radio is one of the reasons we have a pretty low customer-acquisition cost. We have a long way to go. But we feel we're in a good position." Stacy said that while television has since been added to Travelocity's media mix, Radio remains "the foundation." "We've increased our spending in Radio this year — dramatically," he said.

And considering the success of last year, that seems like sound thinking ●



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