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Flying High: Measuring the Value of Email Marketing for the Travel Industry

Epsilon's Email Branding Study

Introduction

Email is a cultural and marketing phenomenon. In its relatively short lifetime, email has become so widespread and so often used that it has firmly been established as an integral part of a multi-channel marketing scheme surpassing other channels in almost every dimension – volume, frequency, and ease of execution just to name a few.

As a marketing channel, email is often underutilized, a last minute tactic to communicate a message because of the low cost, speed and convenience of getting something into market. However, peer deeper and you'll see that the medium has matured. Email is a vital link between marketer and consumer that can provide companies with rich information about their products and services. Email extends well beyond the boundaries of opens and clicks, and must be optimized and measured as an important part of the overall media mix.

Epsilon's email branding study was designed to deliver insights on the effectiveness and impact of permission-based email as part of a multi-channel communications strategy. The study delves into a number of different industries: consumer packaged goods, financial services, pharmaceuticals, retail and *travel*.

In this report - TRAVEL

We reveal findings regarding consumers' feelings and reactions to email marketing messages from companies in the travel business. Of the sample that receive information on travel, the average consumer has opted-in to communication from just over 3 travel companies. The number one reason cited for electing to receive travel-related emails was "to learn about sales, discounts, and special offers," at 86%. This study captures email-provoked activities by consumers that are not quantifiable by typical email metrics such as open-rates and click-throughs.

Loyalty high in travel sector

The receipt of permission-based email makes travel consumers more likely to do business with a travel company, according to the research. More than half of respondents have a favorable opinion of the travel companies that send them email because of the communications they receive and feel more loyal towards companies and products. Travel reflected better loyalty than other categories in the study, with 63% of recipients of permission-based email from travel companies more likely to buy from companies that send them email.

I am more likely to buy from companies that send me email. (Summary of % agree)

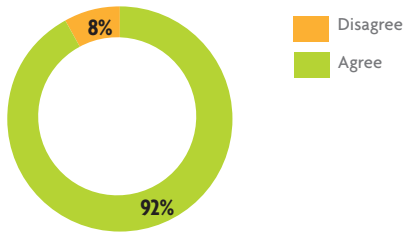


No stranger to new technology

The travel industry was one of the first industries to enter the e-commerce arena and therefore travel consumers have a high comfort level in regards to multi-channel email and web marketing activities. This is evident as over 90% of respondents find email to be a valuable way to learn about new products and services from travel companies.

About nine in ten respondents who receive email from travel companies think that email is a great way to learn about new products.

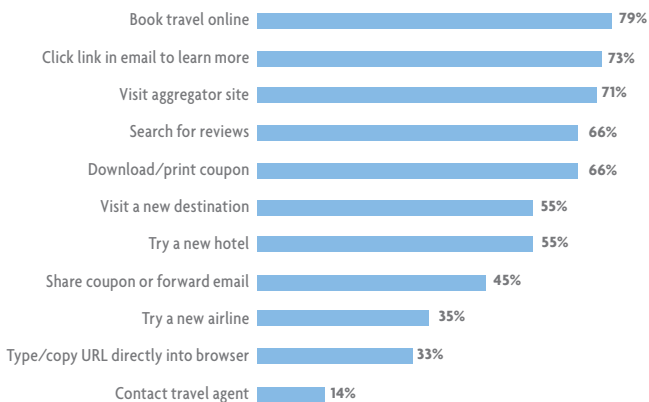
Email is a great way for me to hear about new products available from travel companies



Email drives many online activities as well as some that aren't measured by simply clicking on an email. Consumers often take easily measurable actions such as booking travel online, clicking links in email to learn more, and downloading/printing coupons as a direct result of receiving an email from a travel company. However, there are other popular activities that may not be measured by click-through rates and coupon redemption codes. For example, a number of respondents often visit aggregator sites, search for reviews, type/copy a URL directly into their browser or contact their travel agent.

Email sent by travel companies is effective in eliciting action from consumers.

How often do you take the following actions as a direct result of receiving an email from a travel company? (N = 636) (Four point scale - Summary of top 2 box)



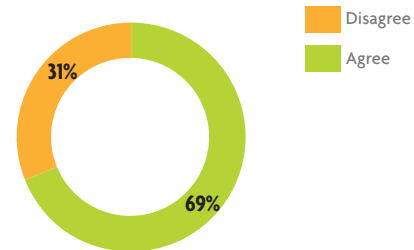
Travel customers are deal-seekers

With consumers today more receptive to email opt-ins and more adept at Internet search, they are accustomed to great deals and a number of options. Instead of relying on one sole provider of travel information, respondents to the survey on average subscribe to emails from up to three travel companies to learn about sales, discounts and special offers.

With advanced targeting and dynamic content, travel companies can customize content for users based upon their past purchases, preferences, and website activity. For example, a website like Priceline or Hilton can make suggestions for destinations, itineraries, and vacation packages by tracking a user's site activity. The study reflected that over two-thirds (69%) of consumers prefer this personalized content over generic information.

Over two-thirds of respondents who receive email from travel companies want to receive personalized content based on their website activity, past purchases, etc.

Travel companies should send me email with content based on things they know about me (e.g. website activity, past purchases) rather than generic content that everyone gets

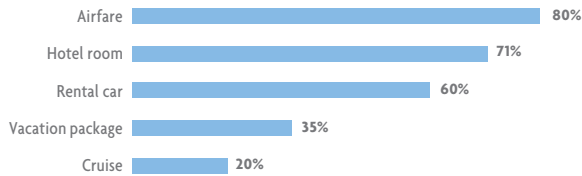


Travel email marketing success stories

Results show that emails influenced the recipients' purchase of airfare and hotels most often, and to a lesser degree vacation packages, rental cars, and cruises. In all cases the vast majority of those purchases took place online.

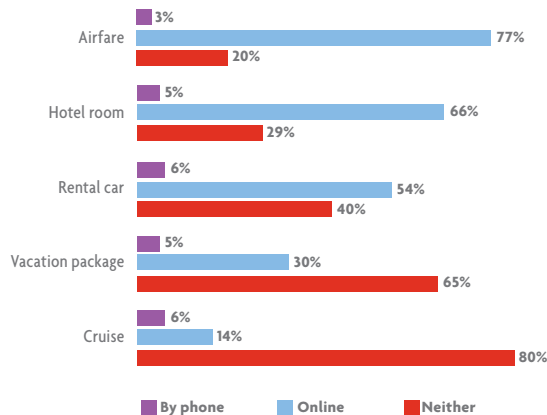
The majority of respondents purchased airfare, hotel rooms and rental cars as a result of receiving email from travel companies.

Please indicate if you purchased any of the following as a result of receiving email from a travel company? (N=636).



Most travel purchases that are influenced by email are made online.

Please indicate if you purchased any of the following as a result of receiving an email from a travel company? (N=636)



Methodology

Epsilon's 2008 email branding study was conducted in October 2008 by ROI Research, of Lancaster, PA., and compiles data from 1,517 responding consumers who receive permission-based email. The study focused on five specific vertical categories: CPG, financial services, pharmaceuticals, retail and travel. Respondents were screened for current receipt of permission-based email in each category. In addition to vertical-specific questions, the survey included a section of questions about permission-based email in general, which was compared to a similar 2005 survey on the same topic. The data has a sampling error of +/- 2.5%.

For More Information

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