



Part One of Four: TripAdvisor boss not sold on Google Travel

Posted by Dennis Schaal on 24 June 2010

Stephen Kaufer, the top guy at **TripAdvisor**, isn't ready to coronate **Google** as the king of online travel. Even if Google buys **ITA Software**. Kaufer, TripAdvisor's president and CEO, recalls that Google's overall track record includes hits and failures and its success in travel would be far from assured.

"They have a number of absolute hits and they have a number of failures," says Kaufer, who sat down for a wide-ranging Tnooz interview at TripAdvisor's Newton, Mass., headquarters yesterday. "So it's a far cry if Google comes into the space guns blazing — it is uncertain they will succeed.



They don't have a community and without ITA they don't even have a metasearch platform," Kaufer says, but notes that on the other side of the ledger, Google does have key assets like Google Maps and a massive audience.

Kaufer points to **Google Shopping** as one arena where Google so far has fallen short.

"I remember the buzz that they were going to put every comparison shopping site out of business," Kaufer recalls. "It was going to be hugely damaging to **Amazon**, **eBay** and everyone else, and no one talks about it now. They put a lot of effort behind it, [but] it didn't work.

But, then he qualifies his assessment.

"It didn't work well enough — even though it was Google. I might remind people not everything they do is successful."

Kaufer notes that most Web businesses have a hybrid view of Google — as friend and competitor — and he is concerned about Google's moves further into travel.

"The more Google does in the travel space, they become a competitor and a lot of the world starts their Internet research on Google for everything," Kaufer says. "So if they are starting their travel research on Google and Google does more in travel, if they do a good job, then that hurts me."

So the jury is out on not only on what Google would do in travel — metasearch or, far less likely, taking bookings — but also on how well it might do it.

One aspect of a potential Google acquisition of ITA Software is that ITA powers flight search for metasearch players like TripAdvisor, **Bing Travel** and **Kayak**; corporate booking tools such as **Rearden Commerce** and **GetThere**; an online travel agency, **Orbitz**; and scores of airline websites.

The prospect of Google ultimately controlling that core technology while becoming a huge travel competitor scares some companies.

Kaufer, however, says he isn't worried about that aspect of a potential Google-ITA Software merger, noting that **TripAdvisor flights** also uses **Expedia's Best Fares Search** and has direct-connects with some airlines.

"I am not worried about it from a technology perspective, frankly," Kaufer says.

He adds, referring to what Google might be cooking up, "I look at it from [the perspective] — what are their plans for travel around the globe."

Part Two of Four: TripAdvisor CEO explains link policy, feels the hotel love

Posted by Dennis Schaal on 25 June 2010 --- Continued

While some may refer to one aspect of [TripAdvisor's Business Listings](#) practices as LinkGate, CEO [Stephen Kaufer](#) counters that TripAdvisor is “not selling any SEO juice.”

Thousands of hotels are now paying TripAdvisor to list their phone number, email address and website homepage on TripAdvisor domains, but the [source code uses a no-follow rule](#), meaning the link can't be indexed by search engines.

So, if some hotels assumed there would be some SEO benefit, then they were wrong.

Kaufer says TripAdvisor, a unit of [Expedia Inc.](#), follows [Google's](#) recommendations by inserting a no-follow in the code.

“We really don't want to ever be accused by Google or anyone else of offering a service that could be construed as buying a link,” says Kaufer, sitting in a conference room at TripAdvisor headquarters in Newton, Mass.

“It's not going to hurt anyone else's SEO ranking,” he points out. “It

just doesn't help it. And we never ever imply if you buy a link you'll do better in search results. It's irrelevant.”

[TripAdvisor launched in November 2000](#) as a business-to-business venture, a vertical search engine for travel, which sought to license its technology and destination content to portals such as [AOL](#), [Yahoo](#), [MSN](#) and GDSs like [Sabre](#), [Amadeus](#) and [Galileo](#).

There were few takers — other than [Lycos](#) for \$2,000 per year, Kaufer says — and TripAdvisor almost went out of business in 2002.

However, along the way someone suggested — Kaufer thinks the idea came from a friend of his outside the company — that TripAdvisor solicit consumer-written hotel reviews. After all, ordinary people were posting book reviews online.

Some 35 million hotel reviews later, with dozens of new ones flowing in every minute, TripAdvisor had found its mojo.

“It scales, man,” Kaufer says, laughing.

Was putting a “write a review button” on TripAdvisor.com Kaufer's best decision in his decade-long tenure?

“Yes,” he says. “Full stop.”

But, until the beginning of 2010, when TripAdvisor introduced Business Listings, hotels couldn't place direct links within their TripAdvisor profiles even as TripAdvisor expanded to 21 countries, leveraging content about hotels, travelers' reviews and advertisements from online travel agencies and suppliers.

Many would agree there is a lot of resentment from hotels about the way things have gone down, but Kaufer doesn't see it that way at all.

“Most hotels love TripAdvisor because it's a one a one-way street — they pay nothing and a ton of people find out how great their property is and go and stay there so they are sold out all day long,” Kaufer says.

I interject that hotels may fill lots of rooms, but TripAdvisor's efforts largely turn into hotel bookings for the likes of [Expedia](#), [Travelocity](#) and other advertisers — and the reservations do not take place on hotels' own websites.

Kaufer starts raising his voice. He's not yelling, but he's getting very passionate about the subject and this line of questioning.

“It is tough to find a hotelier who complains they get too many bookings from Expedia or Travelocity or anyone else,” Kaufer says. “If they complain, they can drop off their [online travel agency] systems or go direct. And, some of the best hotels in our environment don't have a relationship with Expedia and they are still rated number one.”

Kaufer adds: “They are getting a ton of free marketing, which is great for them, it's great for the consumer and it's great for the travel industry. We don't make any money on it [the TripAdvisor Popularity Index] whatsoever, but still they get top billing if they deserve it.”

And, the Write a Review button has catapulted TripAdvisor, with 34 million unique monthly visitors, to the upper echelon.

“We are bigger than Expedia,” Kaufer says. “We are bigger than the top five airlines combined in terms of traffic.”



Part Three of Four:

TripAdvisor boss sees competitive advantage growing

Posted by [Dennis Schaal](#) on 28 June 2010 --- Continued

How long can **TripAdvisor** remain on top? TripAdvisor CEO **Stephen Kaufer** sees the company's competitive advantage growing — not shrinking — in the global markets it already dominates.

"In the markets where we are number one, I see our competitive advantage growing, not shrinking," Kaufer says. "We continue to grow faster than the other guys."

TripAdvisor, which currently has a presence in more than 20 countries, benefits from the **eBay Effect**, Kaufer claims.

"Buyers wanted to shop where all the goods were and sellers wanted to sell where all the buyers were," Kaufer says. "Well, it's just about the same for TripAdvisor and travel. You want to go read reviews where there is the most. When you want to write a review to share your comments with everyone else, you want to write it where people are reading the most."

Asked about new strategic directions for TripAdvisor, Kaufer cites **Trip Friends** "as the next revolutionary concept that we are bringing to the table."

"Again, it is another area where I don't see how any other travel site is going to be able to compete because we have the installed base on TripAdvisor and we've got content," Kaufer says. "The integration is powerful and simple, and I don't have to bet on **Facebook** staying popular. That's a given."

So, did the TripAdvisor-Facebook mashup require Kaufer and Facebook CEO **Mark Zuckerberg** getting together over lattes to sort things out?

"It's using their API with helpful [technical and product-related] conversations from time to time," Kaufer says, dismissing the notion that the two CEOs needed to hash things out.

He adds that TripAdvisor didn't develop any proprietary technology for Trip Friends.

"We don't want to use anything special," Kaufer says. "They can break."

Kaufer, though, sees some weaknesses in TripAdvisor's global position and regrets that the company didn't expand internationally sooner than it did.

"In the markets we aren't in, Russia, for example, there is an opportunity for someone to get out ahead of us," Kaufer says. "The more data we get, the better our recommendations can become, the more personalized it can become, so there are tremendous benefits to the sheer scale."

He cites the German and Japanese markets, too, as countries with established players where TripAdvisor needs to play catch-up.

TripAdvisor plans to launch four new country websites this year, including sites in South Korea, Thailand and Singapore, Kaufer says.

In addition to Trip Friends and expansion into new countries, Kaufer sees **Business Listings** and **vacation rentals** as key expansion arenas.



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On the other hand, one area, hotel metasearch, which would seemingly be a natural fit for TripAdvisor, is not on the agenda, Kaufer says. He argues that hotel metasearch does not provide a great consumer experience and hotels don't like price comparisons because of the apples to oranges nature of comparing different room types and brands.

TripAdvisor launched **flight metasearch** in 2009 and recently began integrating it into hotel reviews by showing the best fares to a given city like this:

Kaufer says flight metasearch isn't as good as TripAdvisor's hotel advertising business, but flight metasearch is valuable because it attracts new shoppers.

"Hotels rock," he adds.

Sitting at a table in a conference room at TripAdvisor headquarters in Newton, Mass., Kaufer plays with a large roll of tape in his hands. It may be an appropriate metaphor for the way TripAdvisor is helping to shape the global expansion of **Expedia's** media business, picking this market or

that for a new sales office or website.

Thus, Kaufer seems to be sitting on the top of the world, so to speak.

Kaufer's concerned — but not overly so — about a potential **Google expansion** into travel, he regrets not expanding into some international markets sooner, and he knows he faces a formidable competitor in **HomeAway** in the vacation rental business.

But, the top guy at TripAdvisor sounds confident and relaxed about the business, as if he hasn't lost one night's sleep since TripAdvisor almost tanked in 2002 — before it seriously began scaling its hotel reviews.

What about the former Expedia's at **TravelPost**, who got \$10 million in funding and are said to be cooking up some kind of New Age travel-planning business. Perhaps a TripAdvisor killer?

Kaufer says TravelPost has a website and "some old reviews," but he hasn't been able to confirm what TravelPost's plans are. The founder of TripAdvisor, referring to TravelPost, adds: "People aren't going to go to a site because of the name of the founder."

Part Four of Four: TripAdvisor, HomeAway CEOs spar over vacation rental reviews

Posted by **Dennis Schaal** on 30 June 2010

If this were a movie, you might call it, "Hotel-Review King Meets Vacation-Rental Honcho."

TripAdvisor CEO **Stephen Kaufer** casts doubt about the reliability of **HomeAway's** vacation rentals — and HomeAway CEO **Brian Sharples** expresses caution about the integrity of TripAdvisor's vacation rental reviews.

In separate interviews, the two CEOs expressed respect for the other company, but went at it nonetheless.

Kaufer says TripAdvisor, which took control of **FlipKey** two years ago and recently **acquired HolidayLettings** in the U.K., is making a big push into vacation rentals, but acknowledges "we have a long way to go to become known as the place to go for vacation rentals."

He pays some homage to vacation-rental leader HomeAway.

"In the vacation-rental space, they don't have the brand but they have the reach and the product offering right now and they are doing very well," Kaufer says. "I give them a lot of credit for it."

But, here come the zingers.



"I want them [consumers] to have a totally safe experience and it's still a little on the risky side when you rent a property from HomeAway because you are sending a check off into the wilderness and you don't have a lot of guarantees that you will have a great time," Kaufer says.

Kaufer adds: "They [HomeAway] don't have the breadth and depth of reviews that we do and the types of reviews they

have, let's just say I wouldn't put my faith in them."

So, how's that for some irony: The head of TripAdvisor, which has been challenged — sometimes too vociferously, in my opinion — over the integrity of its hotel reviews, is casting aspersions about HomeAway's reviews.

But, Sharples of HomeAway, with its 850,000 reviews, fires right back.

"As a newcomer to the business, I'm surprised he's [Kaufer's] trashing the very owners that he's attempting to attract," Sharples says. "Travelers who stay at vacation rentals are extremely happy with their experiences, and as the largest company in this category, we work harder than anyone to assure it is safe for all."

If you peruse HomeAway.com, there sure is a preponderance of positive consumer-written reviews.

Sharples says property owners view the consumer reviews, perhaps 12-24 hours before they are posted, and can dispute them if the reviewer never stayed at the



property, booked it somewhere else, is blackmailing the property owner to get a deposit returned, or if the review is “overly malicious.”

An example of being overly malicious, Sharples says, is if guests write that they arrived at the property, a window was stuck, and then give the property a review of one star out of a possible five.

“Only a handful” of reviews don’t get posted or come down off the site for such reasons, Sharples says, adding that 90% to 95% of guests are satisfied with their stays.

Kaufer’s diss of HomeAway’s reviews “is a bit of a head-scratch,” Sharples says. “For TripAdvisor to make the reviews the issue is a natural for them to do because that is what their business is.”

He acknowledges that when HomeAway acquired **VRBO**, its review process, which he labeled a “guestbook approach,” had to be cleaned up because the owners had a lot of power over them.

But, Sharples proceeds to call into question the integrity of some of TripAdvisor’s vacation-rental reviews.

He says that when TripAdvisor signs on listings from property management firms, they are allowed to import whatever reviews they already had in their database so that “a process beyond TripAdvisor drives a lot of those reviews.”

TripsAdvisor spokesman Kevin Carter says that is not how the process works.

“TripAdvisor allows management firms to import their guest records, which allows TripAdvisor/FlipKey to send personal emails to guests inviting them to review the specific property they stayed in,” Carter says. “Once a guest has submitted their review, the content is processed through an authentication filter, applying proprietary verification techniques and specific supplemental processes unique to the vacation rental category.”

“Neither TripAdvisor nor FlipKey provides functionality that allows users to submit existing reviews or self reviews,” Carter says.

Sharples believes that TripAdvisor’s raising of the HomeAway review issue and implying there is great risk is off-base because reviews are only one element of HomeAway’s audit process.

Sharples says HomeAway has 650 employees and “half are focused on trust and safety.”

“Bad renters and properties are kicked off the site,” Sharples says.

Sharples agrees with Kaufer that HomeAway faces challenges in brand awareness, and says its **Super Bowl ad** “took our awareness numbers from very small to small.”

The 15-minute video which **HomeAway created about the Griswolds** triggered 2.5 million views, Sharples says.

Kaufer and Sharples likely would agree that TripAdvisor and HomeAway will do battle in the vacation-rental market, but will come at it with different strengths and weaknesses.

HomeAway has reach, but little brand awareness, while TripAdvisor has brand awareness and little reach.

Although HomeAway is the market leader, it commands only a small portion of the massive vacation-rental market.

And, this means there is room for plenty of players.

Says Sharples: “I don’t spend sleepless nights worrying about TripAdvisor.”