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WEBWATCH

WHAT'S REALLY GOING ON, ONLINE

DO TRAVEL SEARCH ENGINES DELIVER?

An Examination of the Leading Sites

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EXECUTIVE SUMMARY

The sudden growth of travel search and aggregator sites since late 2004 has changed the way Americans research and book travel. Sites such as Kayak, Mobissimo and SideStep aren't bound by databases and other reservations systems and instead search several online travel Web sites simultaneously to return rates for airline tickets, hotels and rental cars. While these travel search engines have seemingly simplified the online travel shopping process, Consumer Reports WebWatch discovered some serious issues – including slow customer service and site technical problems. Therefore, our advice to consumers remains consistent since WebWatch began researching travel sites in 2002: No single site is sufficient as a one-stop destination for the cheapest air fares, hotel rooms and other travel products. For instance, for airline tickets, consumers should shop among aggregators (Expedia, Orbitz, Travelocity); search sites as described above; and airline sites.

This report provides an overview of the emerging travel search engine market, and an examination of its business practices. To that end, WebWatch has analyzed 11 of the most popular TSEs, based on traffic data provided by Nielsen NetRatings: AOL Pinpoint Travel; BookingBuddy; Cheapflights; ITA Software; Kayak; Mobissimo; Pricegrabber; QIXO; SideStep; Travelzoo; and Yahoo FareChase.

After examining the performance, offerings and customer service capabilities of these TSEs, WebWatch found that several engines may improve the online shopping experience, but none is a silver bullet for consumers. Furthermore, and more critically, these sites collectively raise serious questions and issues:

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KEY FINDINGS

Consumer Reports WebWatch examined 11 travel search engines and found:

■ None of the sites culled fares and rates from the entire universe of travel sites available.

■ There's a disturbing "customer service vacuum" since many of these sites do not encourage direct communication with consumers.

■ Technological glitches may prevent certain itineraries and rates from being captured by travel search sites.

■ Questions remain about potential bias on display screens.

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■ Despite offering a broad range of choices, none of the TSEs evaluated include all the leading online travel agencies in their inventories, so many "Web-only" rates are not captured;

■ Although some TSEs search low-fare airlines such as JetBlue, certain low-fare carriers – including Southwest, the nation's low-fare airline leader – are missing from inventories;

■ Even when a TSE claims to have "searched" another travel site, technological deficiencies may prevent certain itineraries and rates from being captured;

■ A disturbing "customer service vacuum" exists among TSEs evaluated;

■ Potentially biased displays are not adequately addressed, and some TSEs are inherently limited because they are partnered with a specific travel site – such as Yahoo's relationship with Travelocity – and therefore do not search additional sites;

■ Three of the 11 TSEs examined by WebWatch suffered browser compatibility problems not seen among the leading travel agency sites for many years.

This examination made it apparent no one site does it all, nor is it likely that such a site will emerge at any time in the near future, as some search sites acknowledge. Hugo Burge, vice chairman for Cheapflights, argues no single travel site or travel search site can truly claim to be a one-stop shop: "Meta-search sites are searching in real time, but with a limited number of sites. They can't guarantee the best deal. It's a huge challenge."

So despite the hype and promises, for now the best advice remains: You'd better shop around. More important, you should be very clear about the booking channels you're employing if using a TSE to search other

FIGURE 1

SEARCH ENGINES SELECTED FOR THIS STUDY

AOL PINPOINT TRAVEL

http://www.pinpointtravel.com

BOOKINGBUDDY

http://www.bookingbuddy.com

CHEAPFLIGHTS

http://www.cheapflights.com

ITA SOFTWARE

http://www.itasoftware.com

KAYAK

http://www.kayak.com

MOBISSIMO

http://www.mobissimo.com

PRICEGRABBER

http://www.pricegrabber.com~home_travel.php

QIXO

http://www.qixo.com

SIDESTEP

http://www.sidestep.com

TRAVELZOO

http://www.travelzoo.com

YAHOO FARECHASE

http://farechase.yahoo.com

WHAT IS A TSE?

Travel companies and analysts often use the terms "search sites," "meta-search sites," "aggregators" or "travel-specific search engines" to describe Web sites that provide rates for various travel products — including airlines, hotels, and rental cars — culled from other travel Web sites. Throughout this report, the terms "travel search engines" and "TSEs" will be used in the most generic sense to refer to all such Web sites.

travel sites, since there remains lingering confusion over the TSEs' role and accountability in the booking process, as this report will more fully explain.

CREDITS

The project was written and directed by William J. McGee, a travel journalist, consultant to Consumer Reports WebWatch and editor of *Consumer Reports Travel Letter* from 2000 to 2002. This project was funded by Consumer Reports WebWatch and edited by Tracy Ziemer, WebWatch's senior producer.

FIGURE 2

SEARCH CAPABILITIES OF TRAVEL SEARCH SITES

WEB SITE	SEARCH FOR DOMESTIC AND FOREIGN AIRFARE?	SEARCH FOR HOTEL ROOMS?	SEARCH FOR RENTAL CARS?	COMPATIBLE WITH MOST BROWSERS?	PROVIDES DIRECT LINK TO SITES WHILE SAVING SEARCH CRITERIA?
AOL PINPOINT TRAVEL	✓	✓			✓
BOOKINGBUDDY	✓	✓	✓	✓	✓
CHEAPFLIGHTS	✓	✓	✓	✓	✓
ITA SOFTWARE	✓			✓	
KAYAK	✓	✓	✓		✓
MOBISSIMO	✓	✓	✓	✓	✓
PRICEGRABBER	✓	✓		✓	✓
QIXO	✓	✓	✓	✓	Booking through QIXO
SIDESTEP	✓	✓	✓	✓	✓
TRAVELZOO	✓	✓		✓	✓
YAHOO FARECHASE	✓	✓	✓		✓

ABOUT CONSUMER REPORTS WEBWATCH

Consumer Reports WebWatch is a project of Consumers Union, non-profit publisher of Consumer Reports magazine and ConsumerReports.org. The project is supported by The Pew Charitable Trusts, which invests in ideas that fuel timely action and results; the John S. and James L. Knight Foundation, which promotes excellence in journalism worldwide and invests in the vitality of 26 U.S. communities; and the Open Society Institute, which encourages debate in areas in which one view of an issue dominates all others. WebWatch's Web site launched April 16, 2002. http://www.consumerwebwatch.org

AN OVERVIEW OF THE TRAVEL SEARCH ENGINE MARKET

Travel remains the single largest component of e-commerce, generating $52 billion of the $145 billion online market in the U.S. in 2004, according to Forrester Research, a consulting firm in Cambridge, Mass. But despite the dominance of such online travel agency heavyweights as Expedia, Hotwire, Orbitz, Priceline and Travelocity, most users consult multiple Web sites when shopping online for travel.

In fact, the average consumer visits 3.6 sites when shopping for an airline ticket online, according to PhoCusWright, a Sherman, Conn.-based travel technology firm. Yahoo claims 76% of all online travel purchases are preceded by some sort of search function, according to Malcolmson, director of product development for Yahoo Travel. And the 2004 Travel Consumer Survey published by Darien, Conn.-based JupiterResearch noted that "nearly two in five online travel consumers say they believe that no one site has the lowest rates or fares."

Thus a niche was created for players such as BookingBuddy, Cheapflights, Kayak, Mobissimo, Pricegrabber, QIXO, SideStep, Travelzoo, and Yahoo FareChase, which seek to find the lowest rates from multiple travel sites, thereby seemingly eliminating the need for consumers to cross-shop from site to site.

WHAT IS AN AGGREGATOR?

Within the class of travel search engines are several sub-categories of sites that offer a range of services and search methods:

■ **Portal sites.**
Several of the leading generic search and information aggregator sites also offer travel components, some of which are discussed in this report. In the broadest sense, virtually any search engine could be considered a "travel search engine." However, some generic search engines also should be ranked as TSEs, since they include both paid and unpaid links to travel sites and maintain "travel" pages, often accompanied by original editorial content. This category of generic search sites includes About.com, AOL, MSN, Yahoo.

■ **Meta-search sites.**
These sites use technological tools to "scrape" or scan other travel sites, including third-party travel agency sites

– such as Expedia, Orbitz and Travelocity – and branded sites maintained by individual travel companies, such as Delta.com, Hilton.com, or Hertz.com, for example. This category was largely established by companies with executives with technological experience and includes Kayak, Mobissimo, SideStep, and Yahoo FareChase.

■ **Aggregators of "hot deals" and "special fares."**
These sites collect and publish bargain rates by advising consumers where to find them online (sometimes but not always through a direct link). Rather than providing detailed search tools, these sites generally focus on offering advertised specials, such as last-minute sales from travel suppliers eager to deplete unused inventory; therefore, these sites often work best for consumers who are flexible about destinations and other key itinerary components. This category was largely established by companies with journalistic pedigrees and includes Bestfares, BookingBuddy, Cheapflights, Travelzoo, and USAToday.com's travel listings.

■ **Destination aggregators.**
Such sites often provide specific editorial content, such as user reviews of travel products or detailed destination information. In some ways, these sites are similar to non-Internet media, such as newspapers or magazines, in that they provide news alerts and rate advisories, but the

> **YAHOO USES TRAVELOCITY AS THE SEARCH ENGINE FOR YAHOO.COM YET SEPARATELY LAUNCHED YAHOO FARECHASE, WHICH USES A COMPLETELY DIFFERENT SEARCH ENGINE.**

burden of surfing to these deals often is left to the consumer. In many cases, the emphasis is on the destination rather than the booking specifics. Whether these reviews and/or recommendations are in any way affected by business agreements with travel suppliers remains an unanswered question in many cases. This category was largely established in the tradition of destination guidebooks and includes Fodor's, IgoUgo, Lonely Planet, TripAdvisor, and Yahoo Travel.

Within the sub-category of meta-search sites, there is yet another sub-division: 1) sites attempting to woo consumers directly to them; and 2) sites using their technology to power other sites' search functions. Danny Sullivan, editor of SearchEngineWatch.com, analyzed the market in 2004 and noted: "Some search engines get their results by turning to third-party 'search providers' to 'power' their listings. To make matters more confusing, these search providers may run their own search engine sites as well."

For example, Kayak launched its own consumer site, but also partnered with About.com, Lonely Planet, and USAToday.com, as well as AOL Pinpoint Travel. This issue arose at "Trust or Consequence: Why Credibility Is the Killer App in Online Travel," WebWatch's travel conference in Dallas on March 1, 2005. Steve Hafner, the CEO and co-founder of Kayak, said, "We're relying on getting our technology company, and getting [our] system…out to other Web sites that already have consumers who are shopping for travel products and services." Kayak will not say if these business agreements allow Kayak's partners to alter Kayak's content in any way or if identical data are provided by each of these sites.

To add yet another layer of confusion, some brands maintain separate search or booking sites. For example, Yahoo uses Travelocity as the search engine for Yahoo.com, yet separately launched Yahoo FareChase, which uses a completely different search engine.

Furthermore, there is a broad array of business models within the travel search sector, with some sites being paid for directing consumers to other sites. However, most sites do not charge shoppers a fee before passing them off to another travel site.

ARE CONSUMERS USING TRAVEL SEARCH ENGINES?

With a few exceptions — SideStep and QIXO began operating in 2000 — most TSEs have emerged within the last two years. Most analysts believe this sudden growth is due to a niche created by the maturation of the online travel market. WebWatch and others have repeatedly noted that none of the established travel agency sites (such as Expedia, Orbitz, and Travelocity) continually offer the best deals, so consumers need to shop several sites. Many TSEs claim they do the comparison shopping for them. So what effect have these TSEs been having on consumer behavior and the industry?

Clearly more consumers are turning to TSEs, both for vacations and corporate travel. Forrester Research noted in a recent report on search engines: "Meta-search sites are sub-niche players — for now." The report featured an extensive survey of U.S. shoppers and statistically showed who used search engines for travel research, including differentiating between those who browse for travel ("lookers") and those who use sites to purchase travel products ("bookers"):
- Online Leisure Travel Lookers: 22%
- Online Leisure Travel Bookers: 50%
- Online Business Travel Lookers: 13%
- Online Business Travel Bookers: 35%

In a research report released in April 2005, London-based EyeforTravel noted: "The TSE market is still small and does not have a significant impact on the industry today." However, the report also said: "The TSE market is growing on a par with the [online travel agency] market. The total market size of TSEs for the year 2004 was $1.3 billion, and is expected to grow at the rate of 35% a year to $1.8 billion in 2005."

EyeforTravel claims TSE revenues derived from paid links to travel sites are divided thusly:
- Airlines: 43%
- Hotels: 22%
- Car rentals/ground transportation/rail: 35%

In May 2005, New York City-based Hitwise, an online competitive intelligence service that monitors 25 million Internet users a day, stated that among TSEs, Kayak had shown the largest six-month increase in market share, up 6,019% between Oct. 204 and April 2005 – not surprising considering the "beta" version launched in late 2004. Hitwise claimed that during the same six-month period, market share for Yahoo FareChase rose 659%; Mobissimo rose 350%; and Cheapflights rose 56%.

It seems apparent that in years to come, the current TSEs, with their emphasis on price above all, will be viewed as bare-bones and one-dimensional. Diane Clarkson, an analyst for JupiterResearch, released a report in June 2005 that noted: "For consumers, TSEs' current value lies primarily in price-based comparison shopping. Differentiation and increasing consumer value will require enriching content, expanding product assortments, and possibly implementing customer relationship management."

■ **Business Tensions**
The world of TSEs is one of complex payment structures and acronyms built around CPCs (cost per clicks), CPMs (cost per impressions), CPAs (cost per actions), PPCs (pay per clicks), CACs (customer acquisition costs), and CTRs (click-through rates). For consumers, this alphabet soup means money is changing hands based on their online travel buying habits, specifically *how* they shop and *where* they shop.

Clearly incentives for working with TSEs differ among travel suppliers (such as airlines) and integrated online travel agencies (such as Expedia, Orbitz, or Travelocity). The EyeforTravel research report, for example, notes TSEs currently refer transactions worth $780 million to direct suppliers (with airlines commanding the largest share at $561 million). The report says a "comparatively lesser amount" is referred to online travel agencies. Little wonder EyeforTravel concludes: "TSEs are considered both competitor and marketing tool by other travel players."

Now, just as some shoppers are using TSEs to obtain a comprehensive overview of possible shopping options, there is evidence that travel companies have qualms about being linked. By early 2005, travel sites — including the Big Three of Expedia, Orbitz, and Travelocity — began airing concerns about the TSE market.

In an article in *The Wall Street Journal* in March, Michelle Peluso, the CEO of Travelocity, was quoted saying: "We continue to evaluate them all [TSEs], but we're still not convinced that any of them are good for consumers, suppliers, or us. We see these engines as commoditizing travel at a time when we're working hard with suppliers to go in the opposite direction."

In the same article, Steven McArthur, president of Expedia North America, said, "Our view is that anyone that aggregates travel is a competitor in one way or another." In a January article in *The Los Angeles Times*, Kendra Thornton, a spokeswoman for Orbitz, said: "We are in the process of reevaluating our relationship with SideStep and Kayak and all other travel search engines."

For consumers, a key issue is determining which travel suppliers are included in a TSE's mix. For example, JetBlue's flights are listed in Kayak, Mobissimo, QIXO, SideStep, Yahoo FareChase, and other search sites, even though the carrier is absent from many popular travel sites.

And some travel companies don't wish to be included in any sites but their own, particularly Southwest Airlines, notorious for fighting *not* to be included in leading travel sites. Yet BookingBuddy has found a solution of sorts: it allows users to input itineraries and then select Southwest.com from a drop-down bar. Southwest doesn't object to this arrangement, BookingBuddy told WebWatch.

Which raises the question: If TSEs allow search by specific airlines, hotel chains, car rental firms, or cruise lines, why not surf directly to the branded site maintained by such companies and shop directly? One simple but nonetheless vital justification for the existence of TSEs is the consumer's ability to input search parameters and itinerary details only once, and then link back and forth between a variety of travel sites. As elementary as it sounds, this simple practice may keep some TSEs alive.

■ **How they do business**
At WebWatch's online travel conference in Dallas, TSE executives asserted their business models allow for free usage by consumers and no payment at all from certain

FOR CONSUMERS, A KEY ISSUE IS DETERMINING WHICH TRAVEL SUPPLIERS ARE INCLUDED IN A TSE's MIX.

travel suppliers. To which Cheryl Rosner, then president of Hotels.com (now Expedia Corporate Travel President), responded, "Call me crazy, but I think you guys have to get paid at some point for something. You can't just be sitting out there saying, 'I'm just going to get out there and aggregate and acquire traffic for all of my suppliers for free, because this is an altruistic or philanthropic venture that we've undertaken.'"

JupiterResearch's Clarkson recognizes the challenges: "Without the participation of all or most major online travel agencies, TSEs are not comprehensive. However, online travel agencies that participate are at a disadvantage because their service fees may render them noncompetitive." [Indeed, after searching for a flight on AOL Pinpoint Travel, WebWatch was linked to Northwest Airlines' own site, where a message appeared: "Reminder: You don't pay service fees when you purchase at nwa.com."]

Clarkson also spells out why some travel suppliers — particularly airlines — may be wary of TSEs, because "displaying products based on price will heighten consumers' price sensitivity." She says this is particularly important for "traditional airlines," since their fares are being displayed next to those of low-cost carriers.

Even so, Brian Barth, the CEO and founder of SideStep, believes TSEs are here to stay. "We're going to be living in an environment with all three: bricks-and-mortar travel agencies, online travel agencies, and search. Privately, [travel suppliers] will say this is the future. But that doesn't mean they'll speed it along either."

FINDINGS AND CONCERNS

A primary drawback for all travel search engines is the faulty claim they are "searching the Web" for the absolute best travel deals. True, they are searching the Web, but it's a big Web and no one site has the capability to find all the best bargains. It's doubtful such a travel site will ever arise.

In an effort to remain competitive, agency sites such as Expedia, Hotwire, Orbitz, Priceline and Travelocity have prevented TSEs from listing special "Web-only" rates these sites have negotiated with their business partners. In addition, the exclusion of certain low-fare airlines – most notably low-cost carriers Southwest and JetBlue – from TSE inventories is another fundamental limitation.

The limited universe of travel rates TSEs can offer – despite all the hype to the contrary – is just one issue with these types of sites. Detailed below are other key areas of concern:

INCOMPLETE SEARCHING METHODOLOGY: "SCRAPING" MAY NOT BE ENOUGH

EyeforTravel's research report illustrates how TSEs gather travel booking and fare data from a variety of direct and indirect channels, including:

- travel suppliers;
- global distribution systems/computer reservations systems commonly used by travel agencies;
- offline sellers of tours and other packages;
- online travel agencies.

Some industry observers believe Kayak has a technical advantage over competitors since it is powered in large part by ITA Software, a technology designed to find and mix millions of potential airfare combinations. This technology, created by a Cambridge, Mass.-based firm of the same name, was created as a business-to-business product and is used by travel agencies, third-party travel sites, and even airlines to power their own branded sites.

But even the most comprehensive TSEs still miss large chunks of inventory. Bob Harrell, president of New York City-based consultantcy Harrell Associates Inc., says "scraping" fares from travel sites is an inexact science. He notes, "Some of these systems can be very sensitive to changes in technology and the layout of the screen being scraped. Screen-scrapers are only good if the screen doesn't change." [Disclosure: Harrell Associates collaborated with Consumer Reports WebWatch on three online travel research projects in 2002 and 2003.]

Harrell explains there is a high level of sensitivity to syntax, so if scraping parameters are input and then a screen's layout changes even in a small way, a single wrong character will prevent the search tool from finding the correct fare, or the data will be collected incorrectly. He adds, "Air is the easiest to scrape. But what about hotels and other travel products? Sometimes, these [TSEs] have a very limited scope and it can be more limited with non-air data, such as hotels and cars."

Undoubtedly such problems contribute to a related issue: Many listed fares and rates in TSEs suddenly are not available for booking on the linked site. This phenomenon has been noted by *Condé Nast Traveler* and other publications.

CUSTOMER SERVICE: SURFING THE 'NET WITHOUT A NET

For consumers, customer service may be the TSEs' biggest weak spot. In simple terms, users often are on their own when surfing among TSEs. If a problem arises before a consumer is "handed off" to a linked travel site in order to book the travel products searched for, the issue probably will not be addressed.

The issue of hand-offs requires further explanation. Consumers familiar with travel agency sites such as Expedia, Orbitz, and Travelocity are used to entering specific trip itinerary information (such as flight times, hotel location, car rental vehicle type, etc.) and then being offered a variety of products from multiple travel suppliers, ready for booking directly through that site.

Conversely, most TSEs search a variety of travel sites — travel supplier sites and travel agency sites alike — and then provide details about specific products. The TSEs that offer "direct linking" (such as Kayak, Mobissimo, and SideStep) then connect the consumer directly with the travel site offering the desired rate, and the consumer may book that itinerary with that site – not with the TSE itself. In another scenario, some TSEs simply list itineraries and rates but do not provide a "direct link" to the travel site, so the shopper must then re-enter all the itinerary data into the travel site offering the desired rate.

For some consumers, this complex chain of links and hand-offs undoubtedly generates confusion. If, for example, a shopper uses Kayak, is referred to Hotwire, and books a hotel room with Marriott, but then learns the trip must be cancelled…well, what now?

Such a case was recently detailed in the Traveler's Aide column on USAToday.com (www.usatoday.com/travel/columnist/burbank/2005-05-03-burbank_x.htm), in which a consumer used SideStep to book through Lodging.com for a Ramada room and encountered a problem. Although SideStep wasn't at fault, the customer was confused about where to turn. *[Disclosure: This report's author is a paid freelance travel columnist for USAToday.com.]*

Brian Barth, the CEO and founder of SideStep, acknowledges, "We can't take the hands-off approach of a Google." SideStep says it tries to be "very clear" about notifying consumers when they are leaving the site and being linked to another site. But Barth adds, "We don't run a call center and never will."

An executive for another TSE says: "'Buyer beware' isn't fair necessarily, but sites do need to be clear about saying, 'We are not selling you this ticket.'" Unfortunately, not all TSEs have accomplished this successfully.

As explained in the previous section, WebWatch initiated anonymous contact with the customer service departments at six of the TSEs evaluated. Unlike leading travel agency sites (such as Expedia, Orbitz, and Travelocity),

> **CUSTOMER SERVICE MAY BE THE BIGGEST WEAK SPOT. USERS OFTEN ARE ON THEIR OWN WHEN SURFING AMONG TSEs.**

none of these six sites offered toll-free telephone assistance for users. Five of the sites offered e-mail as a communication channel and one, QIXO, offered an interactive "live chat 24-hour customer service" help desk.

An identical query regarding the site's charge card security policy was sent to all six sites. Those sites that responded to this query were then sent a follow-up question regarding low long the site had been in operation. All queries were sent at the start of a business day to measure how quickly the sites responded. This testing was conducted anonymously in April 2005.

Unfortunately, the results were poor, as explained in greater detail later in this report. Of the six sites evaluated only QIXO and SideStep fully and completely responded to these queries, while two sites did not respond at all. QIXO deserved credit for initiating the live chat program; however, it was clear from the responses to WebWatch's queries that further customer service training was needed at QIXO since the responses were uninformative and vague. Of the other four sites evaluated, Pricegrabber and Yahoo FareChase did not follow up after initial responses, while Kayak and Mobissimo failed to respond at all.

POTENTIAL BIAS: QUESTIONS REMAIN

At a recent travel conference, Svetlozar Nestorov, president of technology and co-founder of Mobissimo, said the infinitesimal flight combinations available via TSEs could overwhelm a customer: "Too much choice is bad for you, and bad for your happiness." So what is his recipe for consumer happiness? Nestorov's vision is a database of reliable travel suppliers, recommended by his site: "It's about getting you to tell us what you want to do. Trust us, and we will tell you where to go."

Such answers raise quite a few questions, such as how such recommendations will be compensated, and whose interests will reign: the consumer's or the business partner's?

This topic of bias dominated discussions at "Trust or Consequence: Why Credibility Is the Killer App in Online

CONSUMERS MAY HAVE DIFFICULTY DISCERNING WHICH EDITORIAL COMPONENTS ARE PAID AND WHICH ARE UNBIASED LISTINGS.

Travel," WebWatch's travel conference in Dallas on March 1, 2005. This was particularly true during a panel discussion among executives from online travel companies, including Kayak, Mobissimo, and SideStep.

Kayak's Hafner said objectivity is an advantage for his site: "Marriott's trying to sell you a Marriott. Travelocity's trying to sell you what they have on their store shelves. That calls objectivity into question for consumers, and that leads to cross-shopping as well."

Just as they are on travel agency sites, the screens on TSEs are replete with all manner of advertisements for travel companies. When viewing such busy screens, consumers may have difficulty discerning which editorial components are paid placement and which are unbiased listings of the best available deals and itineraries.

Beatrice Tarka, CEO and co-founder of Mobissimo, maintained that consumers understand the difference between organic listings and paid advertising: "We have opted for having objective results, which are in the middle, and we have the sponsored links….This has nothing to do with the objective results." [It should be noted that when WebWatch reviewed Mobissimo.com and searched for rates on the site, advertisements for travel companies popped up on the screen; however, they sometimes promoted the companies listed first, and sometimes did not.]

Kayak stated the lack of a deal would not prevent a consumer from seeing that company's products on Kayak's

screens. Hafner said: "We don't make money by selling consumers something. What we do is, we help them find the information they want. But we don't, in general, at least at Kayak.com, we don't suppress results."

SideStep's Barth added: "We believe that good information is the antidote of commoditization. And that the more information you can give people, the better off."

The placement of links can be affected by marketing deals as well. Cheapflights, for example, doesn't provide booking capability, but does provide links to several travel sites for consumers searching for rates. Burge acknowledged to WebWatch that the order of these links is determined in part by fees paid for higher listings, and says the links may change with time.

Krista Pappas, chief strategist for BookingBuddy, offered this insight into her site's travel listings: Any travel company displaying a button or banner ad is paying BookingBuddy, while any company in a drop-down may or may not be paying. (This is not explained to consumers on the site.) She says at any given time there are 15 to 20 paid advertisers among the listed companies. She also adds, "The only time we've removed a company from this list is when they've asked us."

SideStep's Barth is more blunt than most travel executives. He acknowledges his site has marketing partners, but states: "What SideStep displays is not affected by paid agreements."

Unfortunately for consumers, all TSEs can't make such a claim.

BROWSER COMPATIBILITY: OLD PROBLEMS PERSIST

For many consumers, particularly the growing population of Macintosh users, some TSEs are not a viable option at all. They have built-in limitations in their browsers that prevent consumers using Macintosh products from using these sites in part or in whole.

Three of the 11 TSEs analyzed by WebWatch — AOL Pinpoint Travel; Kayak; and Yahoo FareChase — are limited in this way. Undoubtedly this problem is driving a significant number of potential shoppers away from these three sites.

In more than three years of testing from 2002 to 2005, WebWatch did not encounter browser issues with any of the dozens of travel sites it examined, in the U.S. or abroad. At press time, none of the four TSEs listed above had expanded their browser capabilities.

LINKING: NOT ALL TSEs OFFER CONNECTIVITY

Two of the 11 TSEs analyzed by WebWatch did not offer direct links to other travel sites. In both cases, this was due to inherent business issues.

ITA Software, a product that is not designed for consumers, did not offer links. Users can obtain fare information for airlines only and contact a traditional travel agency to book. In addition, QIXO was the only TSE that also served as a booking site itself and therefore did not provide direct links to other travel sites.

> **SOME TSEs HAVE BUILT-IN LIMITATIONS THAT PREVENT MACINTOSH USERS FROM USING THESE SITES.**

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