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Travel Traffic Analysis ACM [1 of 2]

Google Users: Inbound Travel Queries & Outbound Clicks

Travel Data Analytics | Ads Finance | UX Research | Econ
Apr 5, 2019

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Richard to set context for how the working group came together and where some of the strategic came from (Booking.com /EXPE meetings), product strategy reviews w/ regional presidents, and ack of broader questions about travel query growth per osme of the macro trends we're seeing in company

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EXHIBIT
PSX00524

Travel Context

Travel is a highly strategic area for Google

- **REDACTED** annual travel revenue, **REDACTED**
- **\$200B** addressable distribution market + \$25B marketing opportunity

There are headwinds that need our attention

- Travel query growth expected to stagnate by 2021 **REDACTED** Y/Y in 2018]
- Major players seek growth and direct traffic to their websites and apps, and are shifting investment away from Google **REDACTED** in 2019]

Google is Making a big bet on the Travel vertical

- Google's big bet is to build rich vertical experiences that continue to delight and attract travel users
- **Hotels is the biggest opportunity** [**\$65B** addressable] and most mature
- New experiences and monetization models change the dynamics of how partners access google traffic.

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Richard to set the stage for travel context

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Summary of Key Findings - Inbound Travel Queries & Outbound Clicks

- Google's Inbound Travel Queries

- Similar to other commercial queries (like shopping), Travel queries [REDACTED]

- Google's Outbound Clicks from Hotel Queries

- [REDACTED] of outbound clicks from 'hotel' related queries were organic. [REDACTED]
- [REDACTED]
- [REDACTED]
- Hotel Search has a very different mix of paid & organic clicks to partner types than web search.

REDACTED

- *Note: the initial analysis has focused on the Hotels slice of travel queries.*

- Partner traffic sources & growth

- Will be covered at an upcoming ACM.
- *Note: this analysis has greater uncertainty due to reliability of panel data, and data gaps w.r.t. on mobile & apps*

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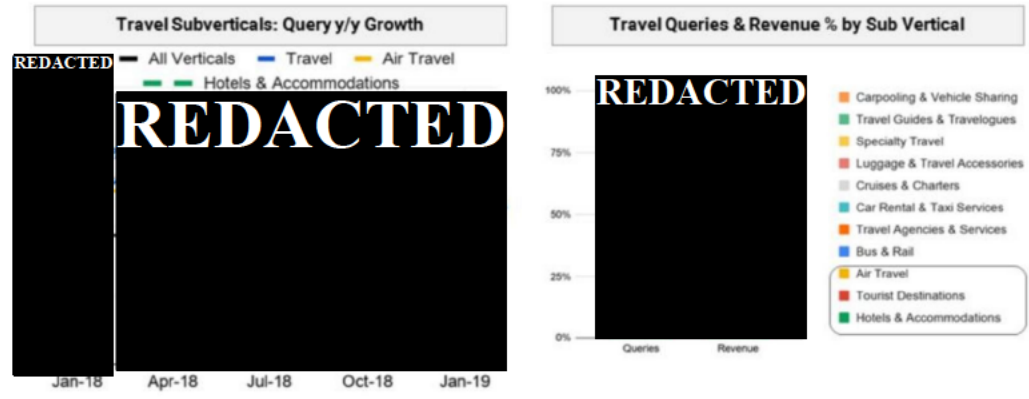
Google

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Sources for workstream 1 (query growth): QueryNav
Sources for workstream 2 (outbound clicks, etc): Logs

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Air Travel outpaced Hotels in Query Growth, Hotel queries represent **REDACTED** of Travel Revenue



*Oct-18 dip in Hotels & Accommodations' growth rate partly driven by lapping Las Vegas shooting on Oct 2nd '17 classified as Hotels.
 Source: QueryNax. Vertical classification: 2015 Verticals4 classifier. Revenue include Hotel Ads for sub-vertical comparison



Defining the Hotel Queries universe

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Hotel Traffic & Other Vertical Benchmarks: [REDACTED] of outbound clicks from 'hotel' related queries are organic, but paid clicks are growing [REDACTED]



Takeaways

[REDACTED] of traffic is paid. Paid ([REDACTED] Y/Y) is growing faster than organic ([REDACTED] Y/Y)
[REDACTED] gets most traffic from text ads, this slice is growing fastest
[REDACTED] has similar click share in text ads and hotel ads.

Other

Hotel Unit (HA+Organic Hotels) growing at [REDACTED] Y/Y vs Web at [REDACTED] Y/Y



Non-Hotel Organic click growth: **REDACTED** (source)

REDACTED - Hotel units provide qualified leads to OTAs they pay higher price but CPAs are higher

AI
Benchmark of overall Google Trend

Takeaways

REDACTED of traffic is paid. Paid is growing faster than organic
REDACTED gets most traffic from text ads, this slice is growing fastest
REDACTED has similar click share in text ads and hotel ads.

User Platform View: [REDACTED] of outbound clicks from Navigational queries on desktop are organic

REDACTED

Google

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Takeaways

[REDACTED] of traffic is paid. Paid is growing faster than organic

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