



When Hostelworld used Google AdWords to expand into South Korea, visits to its local site from Google increased by 380% and bookings grew by over 700%

About Hostelworld.com

- Online booking site for hostels, B&Bs and budget hotels
- Headquarters in Dublin
- Offices in London, Shanghai and Sydney
- Owned and operated by Web Reservations International Ltd

About Forward3D

- Experts in search and display marketing
- Global language and localisation coverage through Locaria, the agency's international division
- Headquarters in London
- Offices in New York, Shanghai and Seoul

Goals

- Expand into Asia Pacific region
- Test techniques to develop insights for long-term expansion strategy

Approach

- Expanded keyword variations
- Launched new campaigns
- Targeted Korean language campaigns globally

Results

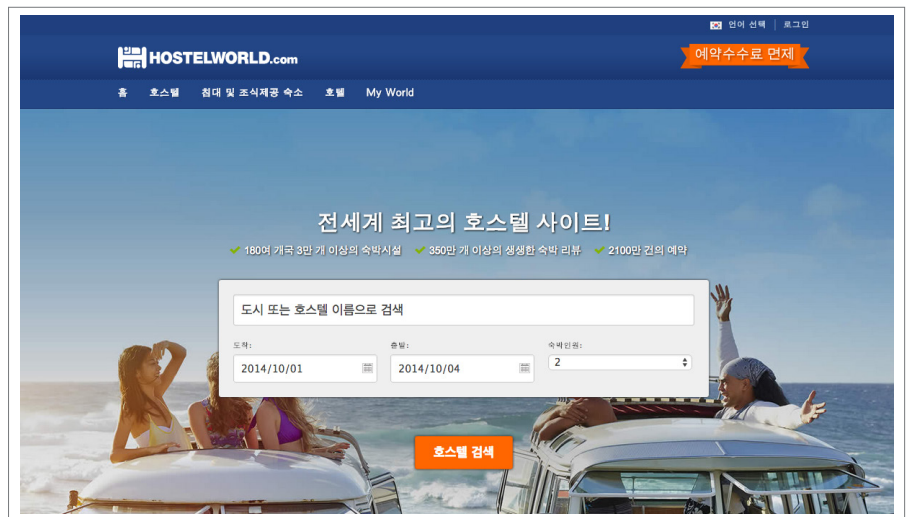
- Bookings doubled month on month
- Visits increased by 380%
- Bookings have grown by over 700% since the campaign began

The global market leader for over 10 years, Hostelworld.com provides online reservations to the budget, independent and youth travel market. It offers confirmed online reservations for over 30,000 hostels, B&Bs and budget hotels in 180 countries worldwide and is the only hostel booking site to offer a service guarantee. Available in 19 languages, the site also offers over 3.5 million guest reviews, travel videos and podcasts, free customised city guides, a travel social network and more.

Pack your bags, we're heading overseas

Hostelworld was interested in expanding into the Asia Pacific region, but it lacked the internal teams to undertake translation, market analysis and local campaign implementation on a large scale. The company employed search and display marketing experts Forward3D to support the initiative. Together they decided to initially test a broad range of APAC markets including South Korea, with a view to applying the insights gained towards a narrower, more focused expansion strategy for the region.

Digital marketing was the obvious place to start. "We have run several TV advertising campaigns in the past and have seen positive results. Measurability is a big issue with TV advertising, however, whereas paid search or email marketing is so much more quantifiable," explains Catherine Gilvarry, Head of Marketing Asia at Hostelworld. "We also run ad hoc print advertising campaigns, but nothing on a regular basis. Digital accounts for more than 95% of our current marketing spend, which includes email marketing."



Adjustments by location and language

Alongside China and Russia, South Korea is one of the three major countries where Google does not handle the majority of search queries. In South Korea, the search engine Naver handles up to 80% of search terms and presents results in a portal format that incorporates pay-per-click and organic search as well as blogs and Q&As.

“South Korea is currently our fastest growing market with mobile search in particular proving to be a core marketing channel. As a result we have significantly ramped up our marketing efforts in Korea. Our key focus is truly understanding the Korean customer and offering them exactly what they want, when they want it and on the device that they want it on.”

— Catherine Gilvarry, Head of Marketing Asia, Hostelworld

Within Naver’s busy aesthetic, a user can take multiple actions. As a consequence, Forward3D believed that Google had the potential to deliver higher conversion rates. “It’s safe to say that Google is more frequently a ‘last click’ channel, while Naver is more likely to be used at the research stage of a purchase,” says Forward3D’s International EVP Hannes Ben. “Google also attracts an international audience, even in countries with a much different media landscape than in the west.”

After performing an audit, it emerged that 40% of all visits to Hostelworld’s Korean language website were actually coming from outside of Korea. This can be explained by the fact that hostels are frequently used by consumers embarking on periods of extended travel or those booking at late notice. “The large market share of global search engine queries that Google handles only increases the possibility that non-domestic Korean language searches will be conducted on Google,” Hannes explains. For Hostelworld, these kinds of searches were identified as important because of the already known propensity to book within the Korean market, so targeted advertising campaigns were launched accordingly.

Another key step was to review the existing keywords in use alongside the available variations of these terms and phrases in the Korean language. The full expansion of these keywords produced immediate and significant increases in both impressions and clicks.

Up, up and away in visits and bookings

As far as the numbers go, Hostelworld has seen impressive growth on Google.Kr from the expansion of keyword variations, launching new campaigns and targeting Korean language campaigns globally. In the first six months bookings doubled month on month on Hostelworld’s Korean site. Comparing the January-to-July period in 2013 with the January-to-July period in 2014, visits increased by 380% while bookings grew by over 700%.

“The level of competition is certainly significantly reduced in the South Korean Google market compared to Naver, allowing us to drive lower costs per click and take a larger share of voice among consumers looking to book,” Hannes says. “This helped Hostelworld to achieve a foothold in the market as well as the data to help develop their offering, on site experience and marketing tactics.”

When initially planning the Asia Pacific expansion, South Korea had been among Hostelworld’s least prioritised markets. Based on the success so far, the business now considers South Korea to be the single most important international market as it moves forward.