

Brand: Hostelworld

Sector: Travel

Primary Objective: Web traffic, sales

Formats Used: Search

Background and Overview:

It's no secret that rapidly scaling any business brings challenges. For Hostelworld, which offers backpackers access to tens of thousands of lodgings around the globe, expansion has happened faster than for most.

CEO Gary Morrison believes that, while the brand uses a wide range of channels to communicate with consumers, search is among the most important.

With an ever-increasing range of destinations and properties, keeping cost per acquisition down has been a priority for the brand. To this end, Google's Dynamic Search Ads (DSA), which can cover the gaps left by more traditional keyword-based campaigns, have provided an important solution.

These ads consist of headlines dynamically generated by Google's machine-learning algorithms, and deliver visitors to the best landing page for their query – capitalising on traffic from search requests that can't be easily anticipated.

Morrison explains: "Getting the algorithms right has been a challenge but the rewards have definitely been worthwhile, as it means the considerable amounts of information that we gather can be condensed into a more digestible manner, allowing us to make decisions more easily. We use a combination of automated bid options to maximise conversions and we adapt depending on the campaign, the customer and the time of year."



What was the role of digital within the media mix?

Recognising that consumers have short attention spans and that ads must address the motivation behind any search, Hostelworld considered how it could invest in digital marketing - specifically search - in order to make the journey quick and easy for customers.

It recognised, too, that search is a demand-led channel. Morrison warns that having a fixed budget can make it hard to respond to changes in demand. In the travel business, which can be highly seasonal. "It's important to have budget flexibility so that when customers are searching, they can find you and you can capture that demand," he says.

Results/Achievements:

Hostelworld has used Google's features to improve efficiencies and boost automation in order to continue to grow at pace.

The introduction of automated bidding has been "something of a revelation" for the brand, according to Morrison.

It has been able to tweak its ads to cater to its audience's specific needs. In fact, since the company began using DSA in 2015, it has achieved conversion rates six times higher, and cost per click 30% lower than those achieved by generic keyword campaigns.

Going forward, it plans to expand further, with search remaining a key part of its strategy. And, as the channel evolves, the company is adapting too.

"The key to making search work is knowing your audience. Search is no longer just about researching keywords, it's about understanding who your customer is, what works for them, what content resonates, what information they need to make a decision," says Morrison.

What's the killer headline?

How Hostelworld overhauled its digital strategy to address audience motivations using dynamic search advertising

