

Costco Uses Google Analytics To Grow Costco Travel, Its Travel Booking Business



About Costco Travel

- www.costco.com
- Issaquah, WA
- subsidiary of Costco Wholesale Corporation, offering affordable travel for members since 2000.

Goals

- find the right web analytics product
- implement tracking for Ajax and ecommerce
- easily collaborate with IT, marketing and product management

Approach

- evaluated multiple web analytics products and chose Google Analytics
- worked with Stratigent, a Google Analytics Certified Partner
- performed a tagging audit
- developed an overall website strategy

Results

- online sales have grown to over 50% of total vacation package sales
- improved menu bar clickthroughs
- decreased funnel abandonment
- using the API to merge in-house data

Costco Travel is a wholly owned subsidiary of Costco Wholesale Corporation, the third largest retailer in the US with warehouses in 7 other countries. Since August 2000, Costco Travel has been providing Costco members with vacation packages, cruises, hotels and car rentals. In September 2008, they launched their online booking engine allowing members to shop and purchase vacation packages over the internet. This in-house developed proprietary system will allow Costco Travel to expand their online offerings with more destinations and cruise packages in 2010.

The Challenge of Online Travel

Selling travel online is not as simple as posting product to catalog pages and having customers select the items they want and add them to a shopping cart. The customer is building the product as they go with an infinite amount of variations. There are 365 days of travel, lengths of stay of 1 to 30 nights and over 100 destinations and multiple hotels per destination with various room categories double, king, suite, garden, mountain, city or ocean view, not to mention meal plans. Now add in transportation options, planes, trains or automobiles, and transfer to/from airport, sightseeing, activities, insurance and other added values, and it becomes a complicated jumble of data. Having a product ID for each combination to add into the shopping cart can leave your customer confused and intimidated. "As a travel booking site, we track thousands of unique variables and parameters where users specify hotels, flights, dates, and locations," said Pat Mitchell, head of Web Analytics and Airline Partnerships at Costco Travel.

With a fluid purchase process that logically adds each component as the member goes through the purchase process, Costco Travel has built a system that is user friendly and tailored to their members' needs. To create the online booking engine Costco Travel relies heavily on Ajax calls and database management of the various components.

The Solution: Getting The Set Up Right

At launch, Costco Travel implemented Google Analytics as their sole web analytics platform. A few months later, in February 2009, a web analytics department was formed under Pat. At that time, they evaluated a few other paid web analytics solutions even though Google Analytics was serving their needs. Pat relates, "Our general manager said, 'If we aren't maximizing our use of Google Analytics, why should we invest in another system?' He was right, so we moved forward with Google Analytics and Google's continual enhancements and improvements have validated that decision."

In March of 2009, Pat's team worked with Stratigent, a Google Analytics Certified Partner based in Chicago, to perform a tagging audit. Founded in 2002, Stratigent is a leader in web analytics and digital marketing consulting, working on complicated implementations and strategic consulting with many Fortune 2000 clients. The Costco Travel site was designed to utilize Ajax server requests, which meant that a search page URL would not refresh while a visitor was using certain elements on the homepage. For example, there are no unique URLs while a person creates and modifies a search for a package from New York to Cancun - it is all

About Google Analytics

Google Analytics™ is a free, powerful web analytics tool. It precisely tracks visitors, referrals, search engine performance, email promotions, and even offline initiatives. Featuring visually enhanced reports, Analytics helps users focus their marketing resources, improve site navigation, and achieve a higher ROI. It measures the success of both AdWords and non-AdWords advertising campaigns, revealing which ads and keywords convert the best.

For more information visit:
www.google.com/analytics



"As a travel booking site, we track thousands of unique variables and parameters where users specify hotels, flights, dates, and locations. For all this, Google Analytics has the flexibility and power that we need."

--Pat Mitchell, head of Web Analytics and Airline Partnerships

done on one web page. Traditionally, page-level JavaScript server requests won't delineate this type of behavior, so the Costco Travel development team used a function called `_trackPageview` to track these events as pages in Google Analytics. Through the audit, Stratigent found areas in the process that weren't being tracked and advised on how to leverage ecommerce tagging and event tracking.

As the audit was being performed, Costco Travel worked with Stratigent to develop a strategic plan to redefine tagging with the intent to enhance content reports using easily interpreted identifiers. The web analytics team also worked with the key leaders group to develop meaningful KPI's that each department uses. Another advantage of the successful Google Analytics implementation is the realized benefit to IT, marketing and product management to consult the web analytics team before beginning an initiative to assure that it will be measured.

Results: Identifying Areas of Opportunity

With Google Analytics as their enterprise web analytics tool, Costco Travel has identified many areas of opportunity. Their online sales have grown to over 50% of total vacation package sales and the conversion rates have increased.

One example of Google Analytics effectiveness was in the menu bar analysis. After an in-depth landing page analysis using the navigation summary, within Google Analytics, Costco Travel identified unrealized results from their "What's New" page. According to Pat, "The 'What's New' link contains great value deals that the team wanted to expose visitors to. Now that we had tracking in place, we could work to make it better." They experimented with its placement and design all the while tracking clicks on it with Google Analytics. They ended up moving it to the left and removing the drop down. This resulted in a large increase in traffic to the page and click throughs.

Google Analytics has proven to be a valuable tool for Costco Travel as they continue to expand their product line and analysis of online traffic, trends and commerce. Costco Travel is now utilizing Google Analytics to focus on ways to improve the purchase process and eliminate funnel dropouts for both Vacations and their new Cruise online booking application. They are also developing API processes to more efficiently merge in-house data with that of Google Analytics as well as continuing to utilize Stratigent as an ongoing technical and Google Analytic resource.

