

NOZIO[®]

internet for tourism

www.nozio.com/business



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MARKET

The rules of the game have finally changed

The advent of the Internet in the tourist sector halfway through the 1990s rapidly started upsetting the balance between operators and the way travellers bought and used their services.

Airlines, car hire firms and shipping companies were the first players in the tourism industry to invest substantial resources in the internet, with the idea of transforming their own sites into the main point of sale for the final user, bypassing the traditional intermediation system, which, until then, had been in the hands of the GDS (Sabre, Amadeus, etc.), the tour operators and the travel agencies associated with them. Faced with being outdone by transport operators in the conquest for end users and direct trade, thanks to a new 'tailored' approach, **the hotel sector found it more difficult to break free from the chains of intermediation.** The main causes of their dependence were their relatively weak and patchy standing, along with their poor propensity towards strategic marketing and new technologies.

The market is changing the 'rules of the game'.

There is a growing number of users who, after experiencing the positive advantages of booking air tickets online or hiring a car, or simply just because they are now more familiar with the medium, are now more likely to use the Internet to contact suppliers of hotel services directly. In particular, **travellers and 'online' tourists demand unambiguous offers and rates, responsibility,** and the guarantees that can only be had through direct contact with the establishments. Often, however, web surfers are left disoriented by the multitude of 'middleman' tourism sites offering the same solutions, at a variety of rates and conditions, and marvel at the difficulty of reaching the official websites of the hotels in their chosen destination.

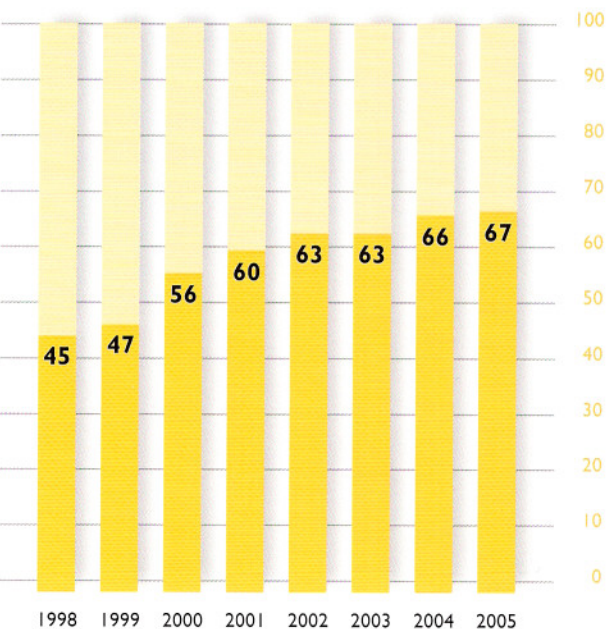
Does this mean that the hotel system is incapable of reacting? Incapable of responding to the demands of the final user? Incapable of fully exploiting the wealth of opportunities offered by the web?

NOZIO is here to answer these questions.

Direct channel Vs. Intermediaries

Market trends in the European online tourism market

in % by sales channel: Direct Intermediaries

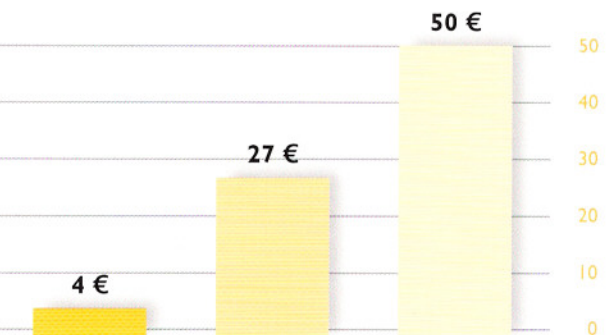


Source: Carl H. Marcussen, Centre for Regional and Tourism Research www.crt.dk/trends

Direct Vs. Intermediaries

Average cost per online booking (2 nights; 100 € per night)

by sales channel: Direct GDS Expedia & Co.



Source: European Travel Commission - www.etcnewmedia.com



The 'disintermediation' portal

NOZIO has created a portal that intends to 'initiate' users in the art of 'DISINTERMEDIATION'. "We have included over 20,000 locations," explains **Marco Baldan**, managing director, "and written hundreds of detailed tourist guides full of useful information for every place. We then catalogue the 'official' contacts (web addresses, e-mail, telephone and fax numbers) of over 60,000 establishments in all categories, from apartments to B&Bs and 5-star luxury hotels, making it easy to use for the end user". "What is more," he continues, "we are collecting the opinions of thousands of tourists regarding their hotel stays and we will be adding new sections dedicated to events, world airports, car hire, low-cost air travel organised by routes available, and much more".



ADVANTAGES

Doing away with the middleman

The benefits for hotels

- Be directly responsible for your own premises and facilities, without the restrictions of 'unilateral' commercial agreements, i.e. all that benefits the middleman.
- Be able to manage your own rates, without being conditioned by the mark-up applied in mediation agreements.
- Improve relations with your customers, particularly in terms of greater coherence and transparency in commercial policies and through more direct contact.
- Be more aware of the market and its trends.
- Be able to align prices to occupancy rates, optimising your turnover per room and improving the overall profitability of your business.
- Develop and reach new, unknown and unexpected markets, thanks to website localisation and territorial marketing.

The benefits for the end user

- The opportunity to contact establishments directly, with access to more detailed information regarding availability, reducing the perceived risk associated with the Internet transactions.
- A safer guarantee of the accuracy of information found on hotel websites, with customised graphics and features ensuring better comprehension of product characteristics.
- More transparent conditions and more competitive rates, thanks to the possibility of negotiating directly with the hotel.
- Access to all the information needed to plan a holiday independently.

Happy
hotelier

Independent
traveller



The great revolution in online direct sales has started

To achieve all of this, it is necessary to have a partnership with a large company which, since 1995, has advocated the intermediation-free marketing of hotels on the Internet, and has created a large specialist network to do just that.

A network where the gradual expansion of the supply creates better conditions for stimulating growth in demand, that being the tendency of travellers to use this revolutionary channel.

So, setting up your own website isn't an effective enough approach to the market. Given the strong market position held by intermediaries, it is important to trust a specialist with the right skills to help hoteliers introduce effective strategies with the strength to promote and sustain their entrance and experience in the web business.

NOZIO's mission is to "transform the tourism market, by putting hoteliers back in the driving seat of their own business". Thus, it dedicates the numerous resources and the know-how that it has acquired in the tourism sector, together with its web expertise, to develop partnerships with hotel establishments throughout Europe, offering them an all-round service geared towards optimising the results that come from the creation and management of their **own online sales channel**.

A "specialised online commercial office" that requires professionalism and investment in qualified human resources. The 'DIY' method so often exposes hotels to never-ending costs with insufficient economic returns. Indeed, many fall into the habit of making small patchy and naive investments that are difficult to manage and which yield only modest results.

NOZIO offers an integrated service, from continuous monitoring of the market conditions to proposing the most suitable and innovative solutions for the development of your business, planning and building all the components of a service that will ensure you a leading role in the market for a long time.

Over 1,000 hotels have already fully accepted this philosophy and are part of the large '**disintermediation network**', displaying the "**0%**" mark, that qualifies the hotel as:

- Attentive to the needs of its users
- Clear and correct in the conditions and policies it proposes
- Able to build up its own made-to-measure business
- Open to innovation with its eye on market trends

So the main objectives of the "0%" mark, already widely used on the Internet, are:

- **To assess the hotel for the end user according to category standards.**
- **To lower the risks perceived by travellers by guaranteeing a direct relationship through official websites.**



The "0%" marks out the hotel by putting hoteliers back in the driving seat of their own business.



COMPANY PROFILE

Nozio is a leading figure in the Internet services sector for the hotel and tourism industry

In 1995, in the early days of the Internet, a group made up of experts in communications, new technologies and hotel tourism marketing realised the enormous potential of the internet for the hotel sector, and in particular for the development of proprietary sales channels for hotels, and were the first in Italy to focus on this area. Initially, 'client' hotels got onto the web through tourism directories, with just one page containing a few pictures and a short info sheet. Then, gradually, the number of pages grew, as did their contents. The encouraging results obtained by the hotels gaining this simple visibility convinced company management to start encouraging hoteliers, generally not strong on promoting their own products, persuading them to create their own sites and register their own domains, with the precious effect of bringing visitors into 'their own homes'.

In 1996 the website of Hotel Giorgione in Venice was the first official site of an Italian hotel to be entered in the tourism directory of Yahoo! International.

1997 proved another turning point. The company found the scientific backing necessary for its strategic development, thanks to the close collaboration of researchers from the University of Venice.

The know-how acquired enabled the creation of a revolutionary range of products and services, devised to offer hotels the most efficient solutions for bringing long-term increases to their turnover from 'direct' sources.

The next three years saw further developments in the Venice area. Then, as business increased year after year, there was an enormous flood of information and statistical data available on web users (e.g. the search engines they used, the pages they visited, etc.) enabling a deeper understanding of the end users and their habits. This competitive bonus meant that the company could provide concrete guarantees to its clients concerning the continuity of their business, regardless of the highs and lows of the web and its operators (e.g. the 'transition' from Yahoo! and AltaVista to Google at the end of the 1990s and start of 2000).

It was in 2000 that the company started using the NETPLAN brand and began the race to distribute the product throughout the country. The same philosophy that led Venetian hoteliers to believe that they did not need middlemen to distribute a product that 'sells itself' and which is now backed by technology and marketing, is exportable worldwide and the figures confirm this.

The company's evolution from NETPLAN brand into the current NOZIO in 2006 marks the latest affirmation of its status as an international network for direct no-middleman distribution for hotels all over the world. The brand, which has been exported throughout the world, is the expression of a leading company that has commercial offices in France, the UK and Spain.

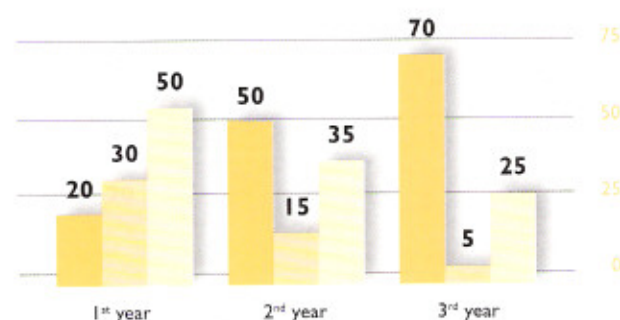
The number of hotels to put themselves in the hands of this company has risen from 50 in 2000 to over 1000 in 2006, confirming the growth trend.

Also remarkable are the results obtained by the hotels that enjoy its 'full service'. The overall turnover guaranteed by the service offered, gross bookings, went from an average of c. € 50,000 per establishment per year in 2000 to over € 250,000 in 2006. Annual visitors to the Nozio Travel Network (Nozio portals and customer sites) went from 1,500,000 to over 21,000,000 in 2006.

NOZIO vs intermediaries

Increase in direct bookings in the first 3 years of collaboration with Nozio

in % on the sales: NOZIO Offline intermediaries Online intermediaries

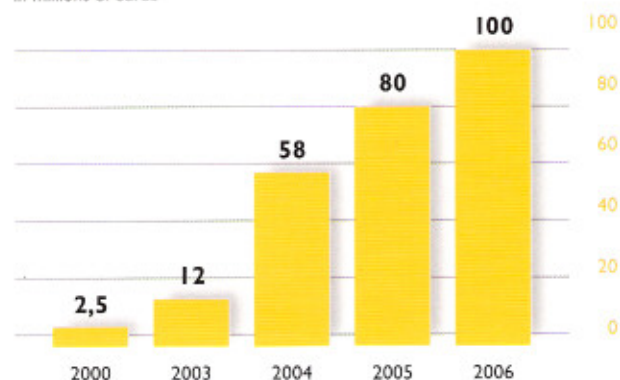


Source: significant sample of NOZIO's clients

Gross bookings

Overall turnover generated by Nozio clients from 2000 to 2005

in millions of euros



Source: significant sample of NOZIO's clients

Continuous growth

Right from the outset, the company based its activities on a policy of placing value on professionalism and cherishing its human resources, the linchpin of its success and development. For this reason, our staff consists solely of a team of professionals whose growth takes place within a working group with a strong identity, team spirit and is results oriented.

These aspects translate into a long-term and highly professional relationship with our clients. The organisation has departments for development, training, marketing, customer support, sales, production, technology and administration. The number of professionals employed rose from 6 in 2000 to over 60 in 2006, and is in continuous and steady growth.



The "0%" logo, contained in the company brand, underlines the idea of belonging to an 'exclusive' network, which, for the hotel establishments, represents a mark of distinction from its competitors and quality for the end user.

SERVICES

The assurance of a business model that really works

Contents

Detailed descriptions in several languages, images that present and draw attention to the product, clear, legible maps with directions to reach the establishment. The right ingredients for a proper international standing, head and shoulders above the competition.

- Texts and translations
- Events
- Photos, audio, video and 360°
- Tourist guides
- Customised maps

<http://www.nozio.com/contents>

Graphics

Web graphics guide the visitor to important information, summarise and make concepts easier to understand and emphasise the company image, taking full advantage of the instrument of communication.

- Creativity
- Logo and coordinates
- Web page

<http://www.nozio.com/graphics>

Technology

The services and the best technological solutions to ensure that the website is always accessible, attractive and interactive. A solid, safe and reliable infrastructure available to companies whose objective is to communicate and sell online.

- Domains
- Publication of sites
- Broadband and e-mail

<http://www.nozio.com/technology>

Management

Simple intuitive software tools that increase the effectiveness of your investment and improve relations with the end user.

- Online bookings
- Newsletter
- Special offers
- Guestbook
- Events
- Link exchange
- News
- Statistics

<http://www.nozio.com/management>

Promotion

The most effective channels and methods for promoting the product, the result of years of specialisation in the field of Internet services for tourism.

- Keywords
- Specialist directories
- Search engines
- Online press office
- Link popularity
- Customised pages

<http://www.nozio.com/promotion>

Training

Courses and ongoing activities aimed at 'educating' the client in the tourism market on the web, the mechanisms of intermediation, price determination, online booking, proper use of management tools and much more.

- Focus on the online tourism industry
- Website management tools
- Optimising Internet sales

<http://www.nozio.com/training>

Travel guides

Portals dedicated to tourism that enable companies to reach millions of international tourists.

- Nozio.com
- Venicehotel.com
- Travelplan.it
- Veniceworld.com
- Hotelsfinder.com
- Cortinahotel.com
- Hotels-0.com
- Asolohotel.com

http://www.nozio.com/travel_guides

Assistance

Constant monitoring of the service offered and rapid response to the needs of the client.

<http://www.nozio.com/support>



In a nutshell, possessing your own sales channel and displaying the "0%" mark gives greater value to your company assets.



No other competitor is able to achieve such a wide range of service components, ensuring excellence within each of these and guaranteeing the assistance and training required to optimise results.



NOZIO, the first company in the sector, offers its clients an full, integrated service which responds to the needs of the hotelier.

A happy hotelier

Dario Restagno

Hotel Lirico ★★★

35 rooms, Rome | www.hotelirico.com



Hotel Lirico in Rome got most of its business from direct callers thanks to its vicinity to the city's main railway station. Others came through its links with agencies and tour operators in several countries. It had already opened its own website, including search engine placement services, but wasn't managing to book out its rooms. It did note though an increase in bookings through online intermediary sites for which it had to pay an average commission of more than 15%.

After the September 11 attacks, the sector was faced with a slump in the market, especially on the American front. What strategies did you use to overcome the difficulty of distributing your product?

In this situation our greatest objective was to manage, to create, consolidate and develop our own sales channel capable of increasing direct sales through our own website and to diversify the market.

In light of the objectives that you set yourselves, how did your collaboration with NOZIO come about?

It began in 2003, with a project including management tools, special offers and online booking, available in six languages.

What have been the short-term results of this collaboration?

After just two months we recorded a 30% increase in the number of visitors to our site and, naturally, direct bookings went up, so much so that we added another language to enter another market.

What progress has there been with your own sales channel?

2004 opened with further inroads into the Chinese market, we renewed all services, including advertising campaigns on the Nozio Travel Network and adapted to the new visibility standards, for example with link popularity, keyword indexing and a section dedicated to events. With these developments, promotion on the Internet brought a sizeable increase in bookings, encouraging us to add 11 more languages. In 2006 we went for new graphics, new tools for interaction with customers, such as newsletters for example, and promotions through customised pages.

Can you sum up your partnership with NOZIO?

We reached unexpected targets in terms of room sales and customer loyalty, with average occupancy running at 92%, with 4,200 nights sold in 2005 through our sales channel. And I can confirm that the trend is continuing in 2006.



A happy hotelier

Alessandro Pasotto

Hotel Giorgione ★★★★★

76 rooms, Venice | www.hotelgiorgione.com



Hotel Giorgione in Venice used to get most of its business through direct callers, thanks to its location right in the historical centre of the city. Others came through agencies and tour operators in several countries. The partnership began back in 1995, a period in which the Internet was in the experimental stages of communication and information rather than e-commerce. From that moment on, it has gradually reduced its bookings through intermediaries who claim as much as 40% on rooms.

Hotel Giorgione took to the NOZIO business model right from the outset. What led you to this choice?

We have collaborated with NOZIO since 1995, with the aim of developing and managing direct distribution of our product, by creating our own channel. September 11 upset the equilibrium of distribution in the sector and brought an urgent need for diversification. We chose this revolutionary online form of distribution.

When did you first launch your website?

In 1996, mainly aiming to work with the American market, which was a few years ahead of Europe in terms of using the Internet.

How has this long-term partnership with NOZIO worked out?

Since 1996 our business has continued to invest in developing online sales and is less dependant on intermediaries. For over a decade, NOZIO has offered the strategic advice and technical support needed to reach our commercial targets.

What have the results been over these years?

We have seen a remarkable increase in the number of direct bookings without intermediation costs and the return on investments in our sales channel is just amazing: 50-fold.

What is your site like today?

It is available in 27 languages; it contains all the features needed for maximum visibility, such as keyword indexing, link popularity, customised pages and a tailored online visibility study to improve indexing.

Can you sum up your partnership with NOZIO?

We have radically changed our distribution policy, gradually reducing the number of allocations to tour operators and finally achieving a strong bargaining position. The project that NOZIO completed for us has enabled us to access an impressive visitor traffic on the web, to meet new business opportunities and renew our image by emphasising all the strong points of our business. The result has been that, in 2005 alone, we sold over 15,000 nights on our website.



A happy hotelier

Silvana Bula

Hotel Florence ★★★

30 rooms, Milan | www.hotelflorence.it



Hotel Florence in Milan is a 3-star establishment located near the main railway station, and is mainly used by loyal business clients as well as being served by several travel agencies and tour operators in various countries. It already had its own website that was created and promoted by a web agency not specialised in tourism, in which it had made several investments without achieving satisfying results. Sales through the sites of online intermediaries, on the other hand, were rising, with an average commission of more than 15%.

What were your objectives when you chose to go online?

Before 2004, we had seen a gradual reduction in customers coming or calling directly to the hotel, with a consequent drop in the rate of occupancy. We had to relaunch our business by expanding our reference market and increasing profits.

So is that why you set up a website?

Yes. The initial aim of project was to transform the existing 'showcase' site into an online sales channel.

Is that where the partnership with NOZIO comes in?

Absolutely. It started in 2004, with a project which included basic management tools, such as special offers and four languages.

What were the immediate results?

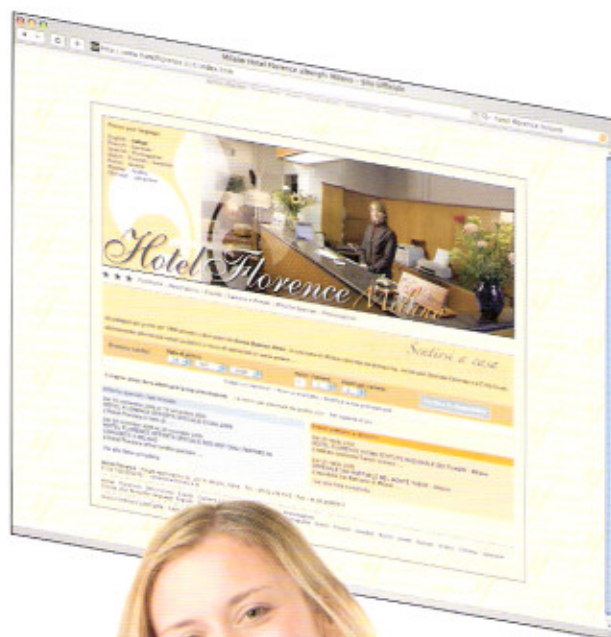
We had a considerable increase in the number of visitors and direct bookings for our establishment. So, after a few months, we enhanced the site with new visibility tools and we also included features such as online booking, to further improve our relationship with the final user. We also added a further eleven languages.

What other interventions have been carried out so far?

Encouraged by the great results achieved through the site, at the end of 2005, the graphics were updated to keep in step with the new standards imposed by search engines and the most advanced technical strategies were put in place to further online propagation.

Can you sum up your partnership with NOZIO?

These two years of partnership have brought us a five-fold increase in the number of visitors to our site and we have reached unimagined targets in terms of the number of rooms sold and the loyalty of online customers. We have thus managed to achieve an average occupancy of over 60%, enough to have full confidence in the revolutionary distribution model created by NOZIO.





The “0%” network is growing...

www.nozio.com/portfolio



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