

A Study of `Marketing Strategies Adopted by Trivago And Its Impact on Sales

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Abstract

This study explores the marketing strategies adopted by Trivago and their impact on sales performance in the highly competitive online travel industry. Trivago, a leading hotel metasearch engine, differentiates itself through comparative advertising, digital marketing, and AI-driven personalization to enhance user experience and drive conversions.

Keywords: Trivago, Marketing Strategies, Online Travel Industry, Hotel Metasearch Engine, Comparative Advertising, Digital Marketing

Introduction

Marketing involves a number of activities. To begin with, an organisation may decide on its target group of customers to be served. Once the target group is decided, the product is to be placed in the market by providing the appropriate product, price, distribution and promotional efforts. These are to be combined or mixed in an appropriate proportion so as to achieve the marketing goal. Such mix of product, price, distribution and promotional efforts is known as ‘Marketing Mix’.

According to Philip Kotler “Marketing Mix is the set of controllable variables that the firm can use to influence the buyer’s response”. The controllable variables in this context refer to the 4 ‘P’s [product, price, place (distribution) and promotion]. Each firm strives to build up such a composition of 4‘P’s, which can create highest level of consumer satisfaction and at the same time meet its organisational objectives. Thus, this mix is assembled keeping in mind the needs of target customers, and it varies from one organisation to another depending upon its available resources and marketing objectives. Let us now have a brief idea about the four components of marketing mix.

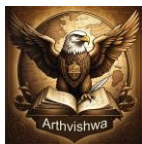
Product: Product refers to the goods and services offered by the organisation. A pair of shoes, a plate of dahi-vada, a lipstick, all are products. All these are purchased because they satisfy one or more of our needs. We are paying not for the tangible product but for the benefit it will provide. So, in simple words, product can be described as a bundle of benefits which a marketer offers to the

consumer for a price. Product can also take the form of a service like an air travel, telecommunication, etc. Thus, the term product refers to goods and services offered by the organisation for sale.

Price: Price is the amount charged for a product or service. It is the second most important element in the marketing mix. Fixing the price of the product is a tricky job. Many factors like demand for a product, cost involved, consumer’s ability to pay, prices charged by competitors for similar products, government restrictions etc. have to be kept in mind while fixing the price. In fact, pricing is a very crucial decision area as it has its effect on demand for the product and also on the profitability of the firm.

Place: Goods are produced to be sold to the consumers. They must be made available to the consumers at a place where they can conveniently make purchase. Woollens are manufactured on a large scale in Ludhiana and you purchase them at a store from the nearby market in your town. So, it is necessary that the product is available at shops in your town. This involves a chain of individuals and institutions like distributors, wholesalers and retailers who constitute firm’s distribution network (also called a channel of distribution). The organisation has to decide whether to sell directly to the retailer or through the distributors/wholesaler etc. It can even plan to sell it directly to consumers. The choice is guided by a host of factors about which you will learn later in this chapter.

Promotion: If the product is manufactured keeping the consumer needs in mind, is



rightly priced and made available at outlets convenient to them but the consumer is not made aware about its price, features, availability etc, its marketing effort may not be successful. Therefore promotion is an important ingredient of marketing mix as it refers to a process of informing, persuading and influencing a consumer to make choice of the product to be bought. Promotion is done through means of personal selling, advertising, publicity and sales promotion. It is done mainly with a view to provide information to prospective consumers about the availability, characteristics and uses of a product. It arouses potential consumer's interest in the product, compare it with competitors' product and make his choice. The proliferation of print and electronic media has immensely helped the process of promotion.

Core functions of Marketing

- Market research
- Pricing
- Financing
- Distribution
- Product and service Management
- Selling

What is Marketing Strategy?

In the most basic form, marketing strategy is a plan to sell services or products in a way that renders long-term profitable growth for any organization. It is like a road map for any brand, which guides it where to go and what's the best route to get there. Successful companies use marketing strategy to deliver their offerings to the customers to create meaningful impact.

"Marketing Strategy is defined as an organization's strategy that combines all of its marketing goals into one comprehensive plan".

It offers a blueprint for achieving these marketing objectives. Marketing strategy is the basic building block of a marketing plan. A good marketing strategy requires in-depth market research and focus on the right product mix to attain the maximum profit potential and uphold the business. A marketing strategy helps a brand to focus on its insufficient resources on the best possible opportunities so as to amplify the sales.

Company Profile

Trivago N.V., marketed with lowercase styling as trivago, is a German transnational technology company specializing in internet-related services and products in the hotel, lodging and meta search fields. The American travel company Expedia Group owns a majority of the company's stock. Trivago was the first hotel search engine in Germany. It became one of the fastest growing companies in Germany, with profitability doubling from 2008 to 2012.

The company was founded in Düsseldorf, Germany, in January 2005. Seeing an opportunity in the hotel search space, the founding team developed Germany's first hotel search engine. Shortly after launch, Stephan Stubner resigned as Managing Director, but the three other founders (Rolf Schrömgens, Peter Vinnemeier and Malte Siewert) remain.

Initially, trivago received €1 million from investors, including the Samwer brothers, Florian Heinemann, and Christian Vollmann. In 2008, Trivago received US\$1.14 million in Series B funding from the British company HOWZAT media LLP. In December 2010, Trivago sold a quarter of the company for US\$52.86 million to a US investment fund, Insight Venture Partners.

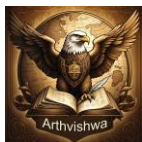
In December 2012, Expedia, an American travel company, announced that it would acquire a 61.6% stake in Trivago for \$632 million. The deal was completed in 2013.

In December 2014, Trivago acquired mobile app product and development company Rheinfabrik. After the acquisition, Rheinfabrik remains independent from Trivago in its work.

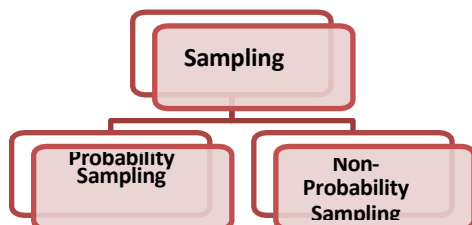
In 2015, Andrej Lehnert and Johannes Thomas (Hotel Sales, Business) joined Trivago's Managing Director team. In 2015, Trivago reported more than US\$500 million in revenue, and said its revenue had doubled every year from 2008 to 2015.

On December 16, 2016, trivago became publicly traded on the NASDAQ exchange under the ticker symbol TRVG. Expedia retains 64.7% of voting rights and 59.7% of economic rights.

Trivago Product Strategy



The product strategy and mix in Trivago marketing strategy can be explained as follows: Trivago is one of the leading travel booking portals in the world. Trivago owns a website which uses Meta search technology for hotel bookings. The competitors are



Kayak which compares flight bookings, OYO. The Trivago website takes into account all the possible hotels in the price range and various other filters, the customer puts in according to their needs and then using the technology, the website compares the prices from different website and showcases them to the customers from where they can make a booking. The subsidiaries are Base 7 bookings, Rheinfabrik.

Objectives of The Study

- To study different types of products and services.
- To identify the close competitor of company having a similar service.
- To know the level of satisfaction towards the sales promotional activities carried by Trivago.
- To study the factors affecting consumer satisfaction of Trivago.
- To identify the role of services offered by Trivago in buying decision.
- To study the customers view on features of Trivago and the impact of the communication medium.
- To suggest factors to retain the customers.

Research Methodology

Research methodology is a way to systematically solve the research problem. In it we study the various steps that are generally adopted by a researcher in studying his research problem along with the logic behind them. It is necessary for the researcher to know not only the research method/techniques but also the methodology.

Research Design

The Research available is descriptive so as to describe the complete qualities of juices available in market.

Sampling Techniques:

Simple random technique.

Sample Size:

The Sample size is 100 Respondents

Types of Sampling

Probability Sampling

This method, in which all units of the universe are given an equal chance of being selected in the sample, is known as probability sampling. There is an assurance of the results in terms of probability that are obtained through probability or random sampling. The significance of the results lies in measuring the errors of estimation obtained from a random sample which brings predominance of the sampling designs over the intentional sample design.

Data Collection

Basically, the data can be classified into two categories i.e.,

Primary Data

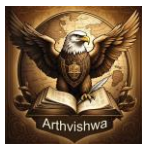
- Primary Data is collected by the questionnaire based on market survey.
- Primary data gives latest information and offers much greater accuracy and reliability.
- There are various sources for obtaining primary data i.e. survey, personal interview, field survey, panel research and observation approach etc.

Secondary Data:

Secondary data are those which have already been collected by someone else. And which have already been passes through statistical processes. Those data are collectedly printed reports, journals, personnel reports, organizational data's, letters, diaries, bibliography, autobiography, newspapers, internet, articles etc.

Data Analysis and Interpretation:

The analysis of Trivago's marketing performance reveals a strong positive relationship between its marketing investments and overall business growth. The company's use of TV commercials, SEO, and pay-per-click (PPC) advertising has



significantly improved brand visibility and customer acquisition, as evidenced by increased website traffic and higher conversion rates over the analyzed period. The consistent use of the slogan "Hotel? Trivago" has reinforced brand recall, contributing to its recognition as a leading player in the online travel industry.

Moreover, the platform's focus on price comparison and transparency has fostered greater consumer trust, reflected in higher user engagement and repeat bookings. The integration of algorithm-driven, personalized hotel recommendations has further enhanced the user experience, driving improved conversion rates.

However, the competitive analysis indicates persistent market challenges, particularly from Booking.com, Expedia, and Google Travel, who collectively hold significant market share. Despite these challenges, Trivago's targeted marketing efforts and product differentiation continue to play a crucial role in sustaining revenue growth and competitive positioning.

Suggestions

- Trivago's advertisements emphasize price comparison across multiple hotel booking websites, making it a neutral search engine rather than a direct booking platform.
- Slogan "Hotel? Trivago" became a globally recognized catchphrase, reinforcing brand recall.
- Extensive TV, digital, and YouTube marketing campaigns helped establish its identity.
- SEO (Search Engine Optimization): Optimized content ranks high in travel-related search queries.
- PPC (Pay-Per-Click) Advertising: Trivago invests heavily in Google Ads and social media ads to attract traffic.
- Social Media Marketing: Active presence on Facebook, Instagram, Twitter, and YouTube, engaging with travelers through posts,

promotions, and influencer collaborations.

Conclusion

Trivago has strategically employed a mix of marketing tools to strengthen its brand presence and boost customer acquisition in the competitive online travel industry. The company has effectively utilized TV commercials, search engine optimization (SEO), and pay-per-click (PPC) advertising to enhance visibility and attract potential users. Its catchy slogan, "Hotel? Trivago," has played a significant role in making the brand a recognizable name among global travelers. Trivago's core focus on price comparison and transparency has helped build consumer trust, encouraging higher engagement and repeat usage of the platform. The company further leverages algorithm-driven hotel recommendations to deliver personalized search results, thereby improving user experience and increasing conversion rates. These targeted marketing efforts have contributed significantly to Trivago's revenue growth. However, the platform faces intense competition from major players like Booking.com, Expedia, and Google Travel, which poses ongoing challenges in maintaining market share and sustaining long-term growth.

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