Microsoft Advertising Insights:
Travel in an age of volatility
UK travel consumers are very sensitive to the coronavirus resurgence in Europe

-0.78 correlation co-efficient

-0.77 correlation co-efficient
Coronavirus resurgence causes abrupt changes to travel corridors which creates a narrow window of opportunity to convert search interest.
Coronavirus resurgence causes abrupt changes to travel corridors which creates a narrow window of opportunity to convert search interest.

Microsoft Advertising Internal Data. Search and click volume for French holiday queries is indexed to the average of the entire period studied.

France holiday search interest

-50% WoW search volume drop
Coronavirus resurgence causes abrupt changes to travel corridors which creates a narrow window of opportunity to convert search interest.

Microsoft Advertising Internal Data. Search and click volume for Turkish holiday queries is indexed to the average of the entire period studied.
The narrow windows of opportunity to travel quarantine free has prompted agile and quick consumer decision making.

<table>
<thead>
<tr>
<th>Last summer</th>
<th>This summer</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>34 days</strong></td>
<td><strong>14 days</strong></td>
</tr>
<tr>
<td><strong>16 searches</strong></td>
<td><strong>7 searches</strong></td>
</tr>
</tbody>
</table>

Microsoft Advertising Internal Data. Summer is defined as June to August.
How do you maximise sales when a window of opportunity opens?
Maintain a strong presence throughout the journey especially on non-brand terms

Holidays conversion path by stage (June – August 2020)

Microsoft Advertising Internal Data. First is defined as the first search in the journey whilst last is the final search before a conversion takes place. Middle is all the searches between the first and last searches. The avg. length of a purchase path for holidays this summer (Jun-Aug) was 7 searches.
Leverage audience marketing solutions to reach consumers with strong purchase intent

Summer 2020 international holiday conversions by audience type

- Remarketing Audience: 34%
- In-Market Audience: 33%
- None: 33%

Microsoft Advertising Internal Data
Leverage your inventory of popular destinations amongst British consumers

<table>
<thead>
<tr>
<th>Top 10 international holiday destinations – Summer 2019</th>
<th>Top 10 international holiday destinations – Summer 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>France</td>
</tr>
<tr>
<td>Spain</td>
<td>Spain</td>
</tr>
<tr>
<td>Turkey</td>
<td>Turkey</td>
</tr>
<tr>
<td>Greece</td>
<td>Greece</td>
</tr>
<tr>
<td>Cyprus</td>
<td>Cyprus</td>
</tr>
<tr>
<td>Tenerife</td>
<td>Tenerife</td>
</tr>
<tr>
<td>Italy</td>
<td>Italy</td>
</tr>
<tr>
<td>Croatia</td>
<td>Florida</td>
</tr>
<tr>
<td>Florida</td>
<td>Tenerife</td>
</tr>
<tr>
<td>Malta</td>
<td>Malta</td>
</tr>
</tbody>
</table>
Be agile to destination demand redistribution when circumstances change

Turkey holiday search volume relationship with Spain holiday search volume (July – September 2020)

![Graph showing the relationship between Turkey and Spain holiday search volumes with a correlation coefficient of -0.88.]

Turkey holiday search volume relationship with Greece holiday search volume (July – September 2020)

![Graph showing the relationship between Turkey and Greece holiday search volumes with a correlation coefficient of -0.60.]

Microsoft Advertising Internal data. Correlation co-efficient interpretation = -1 correlation co-efficient is indicative of a perfect negative correlation, the correlation co-efficient of -0.88 and -0.60 imply a strong negative correlation and relationship between the two variables considered. In this case, turkey holiday search volume (dependant variable) increased when Spain and Greece holiday search volume decreased (independent variables) due to returning travel restrictions for Spain and Greece.
Leverage dynamic search ads to capture new and emerging leisure travel queries

Search click share for leisure travel by ad type – January 2020 (Pre-COVID-19) vs. Summer (June-August) 2020

- **January 2020**: 95%
- **Summer 2020**: 82%

**Dynamic Search Ads**
- January 2020: 4%
- Summer 2020: 17%

**Hotel Ads**
- January 2020: 0%
- Summer 2020: 0%

**Search Ads**
- January 2020: 100%
- Summer 2020: 82%

325% increase in click share
There is a new window of opportunity opening for 2021 travel
Consider potential market disruption scenarios

**A second wave** of COVID-19 in Europe rises and subsequent additional lockdown restrictions
- Travel corridors are shut down and virus cases are high across Europe
- Expect recession in travel search demand and conversions but greater search interest in future/’2021’ travel

**Partial recovery** as some markets in Europe recover from COVID-19 whilst others are still struggling with rising cases
- Some travel corridors open to countries with low infection rates
- Expect travel destination demand redistribution to focus on low risk countries which may or may not align with seasonal expectations

**Second wave full recovery**, most if not all markets in Europe recover and the travel market gains rapid traction
- Most major travel corridors in Europe are reopened amidst low infection rates
- Expect abrupt increase in search and conversion demand for seasonally popular destinations

---

*Conservative behaviour*
- New queries
- Limited time resources

*New behaviours*
- New queries
- Demand volatility

*Search volume growth*
- New queries
- New behaviours
How to respond to market disruptions

**Search volume growth**
- Use the **Microsoft Audience Network** to expand your reach
- Reactivate destinations no longer discouraged
- Invest in non-brand terms to gain mindshare during the purchase path
- Leverage audience marketing solutions to reach likely converters
- Use **Dynamic Search Ads** to capture new emerging queries and interest areas

**Time resources**
- Manage time and budget needed with automated bidding strategies such as **Enhanced CPC, Target CPA or Target ROAS**

**Budgets**
- Implement **granular remarketing for recent site visitors** to catch relevant traffic

**Conservative behaviour**
- Maintain relevant ad copy through **responsive search ads**

**CPC = cost per click**
**CPA = cost per action**
**ROAS = return on ad spend**
To get actionable data, insights and best practices to help make decisions and grow your business, visit aka.ms/MicrosoftAdvertisingInsights
Microsoft Advertising. Intelligent connections.