



MICROSOFT ADVERTISING

Domestic Travel Accommodation Insights

Australia

November 2020



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Summary of findings



Australians and their attitude towards Australia's outlook and travel has been steadily improving over the recent months.



Travel on the Microsoft Search Network is showing positive signs of recovery with high intent for Domestic travel, mainly intrastate with steady growth in interstate.



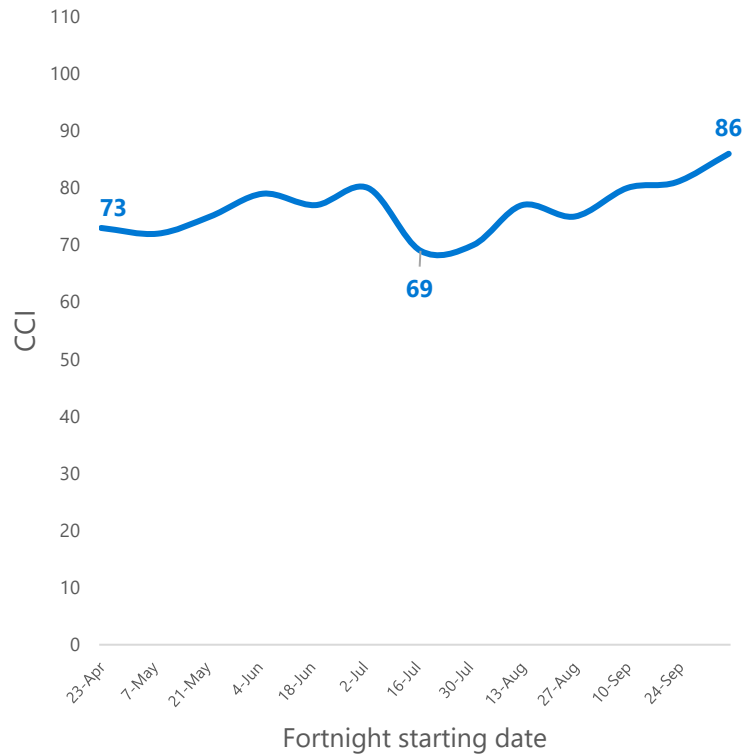
International advertisers are taking advantage of demand with local Australian brands missing out on people looking to travel.

There are many Microsoft Advertising features that you can leverage which will assist in re-engaging with your customers in the current evolving market and for the upcoming summer holiday season.

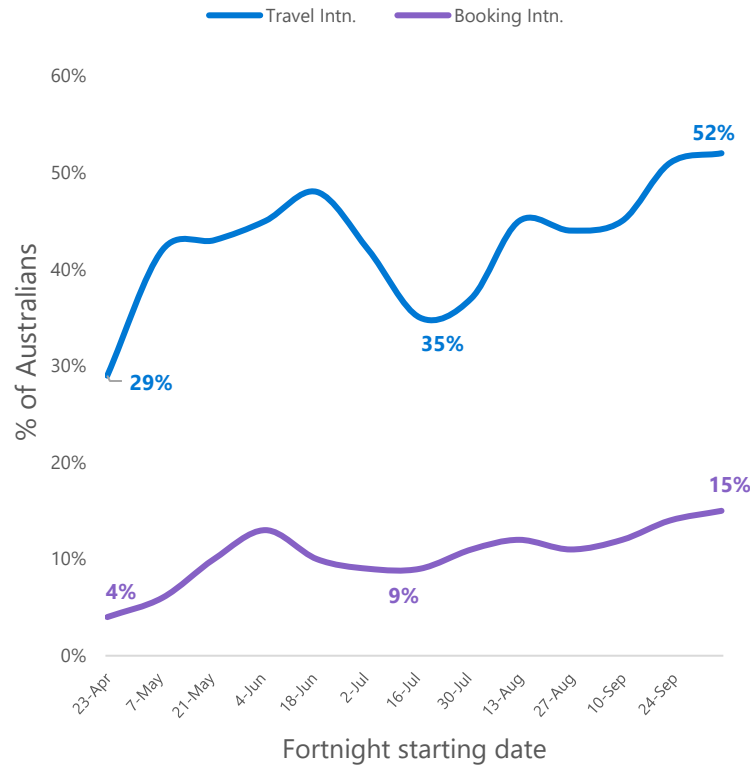
Sentiment is improving strongly for Australians across many areas

Consumer Confidence Index (CCI)

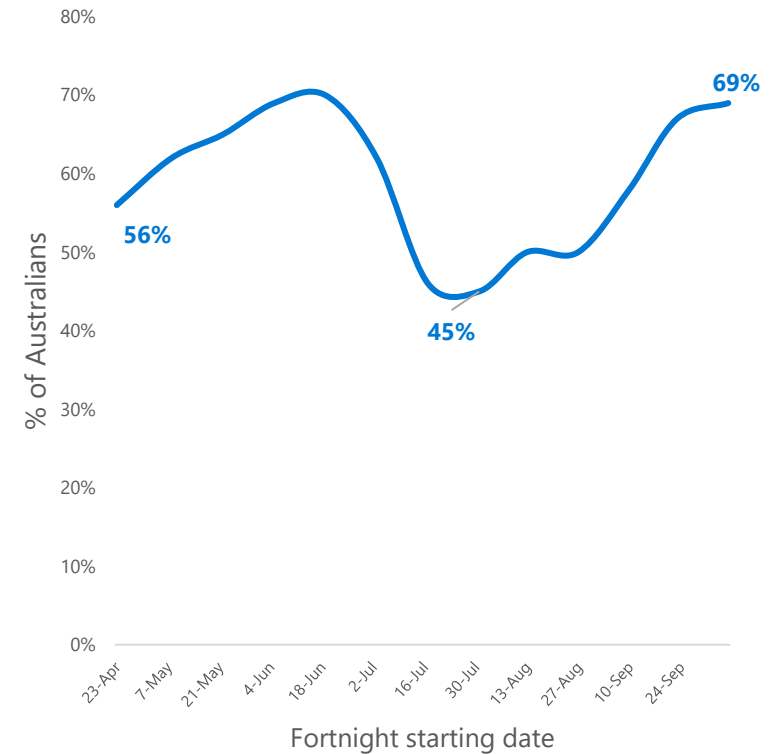
Consumer confidence indicates positive/negative sentiment towards future economic situation (<100 is negative, >100 is positive)



Travel Intention (0-6 Mth) and Booking Intention (Next Mth) within Australia



"I feel it is safe to travel within Australia"



Many Australians show their readiness to travel, either dreaming or actively planning for their next holiday



37%

Of Australians see travel restrictions as the top barrier for domestic travel



34%

Of Australians are already thinking/dreaming about next holiday

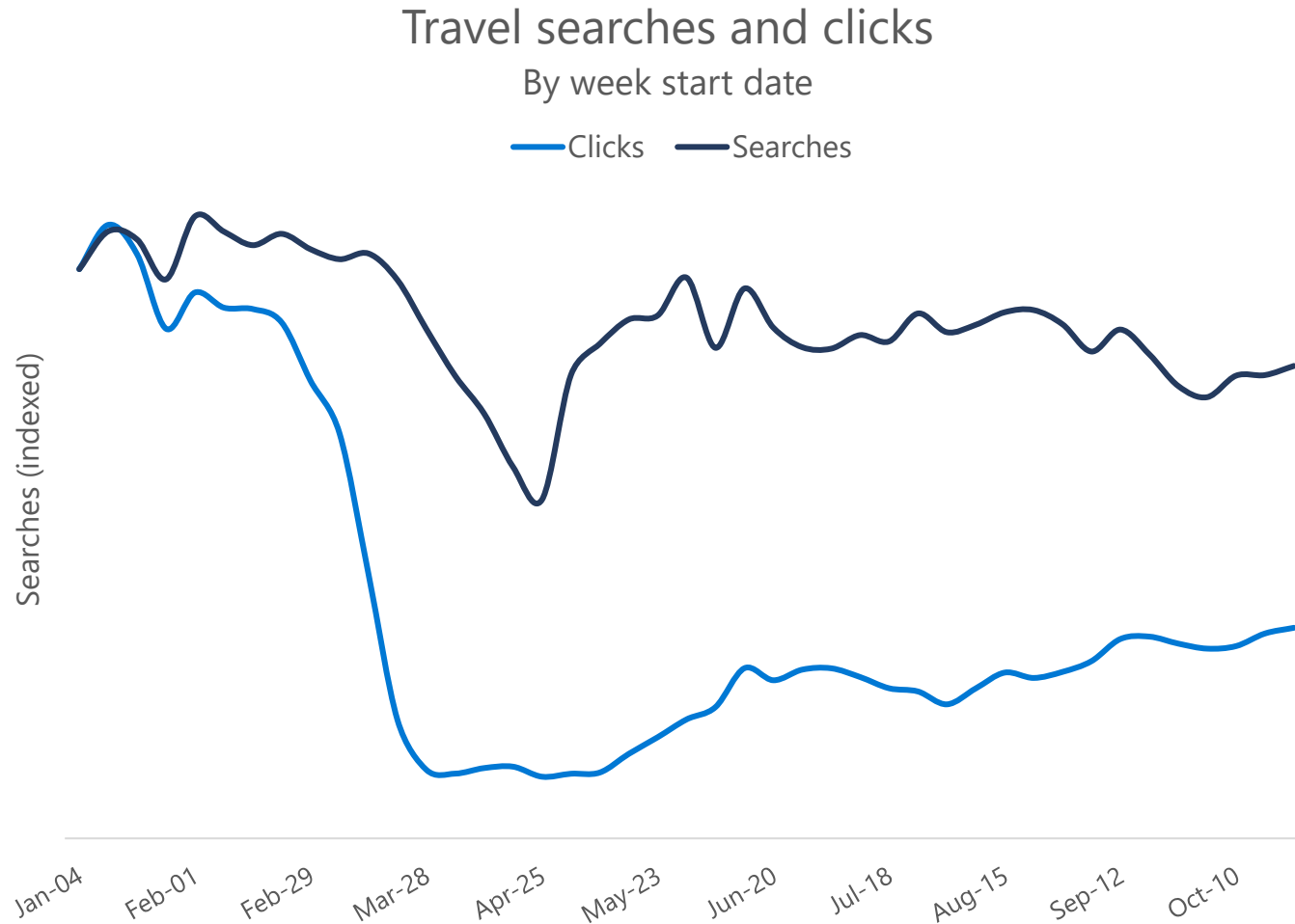


21%

Of Australians are researching/active planning for their next holiday

Our users are ready for a break and already
planning for the next holiday...

Advertisers are currently missing out on Australian consumer demand



Key observations

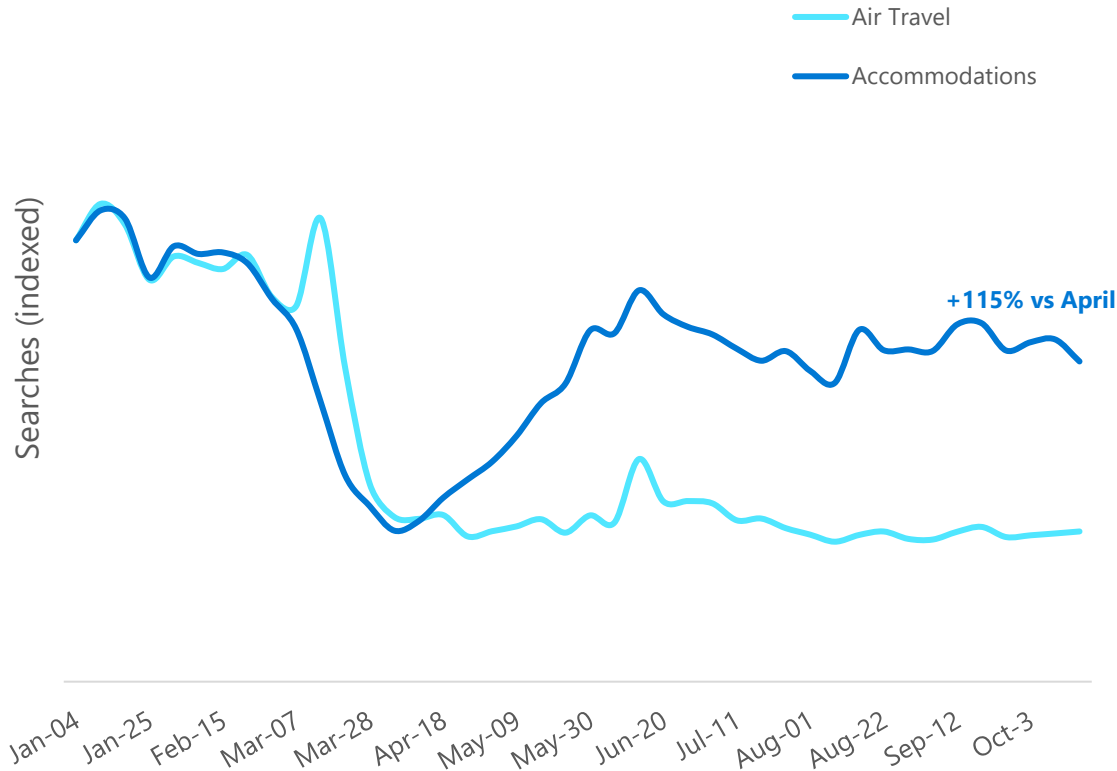
1. A quick recovery in Travel searches seen in April indicate our users' desire to travel. Our current weekly October volume is on average **37%** higher vs week starting April 25.
2. Clicks on the other hand have been steadily recovering in volume, latest October volume **209%** higher vs April 25, however still only 35% of pre-COVID levels.

Recommendation

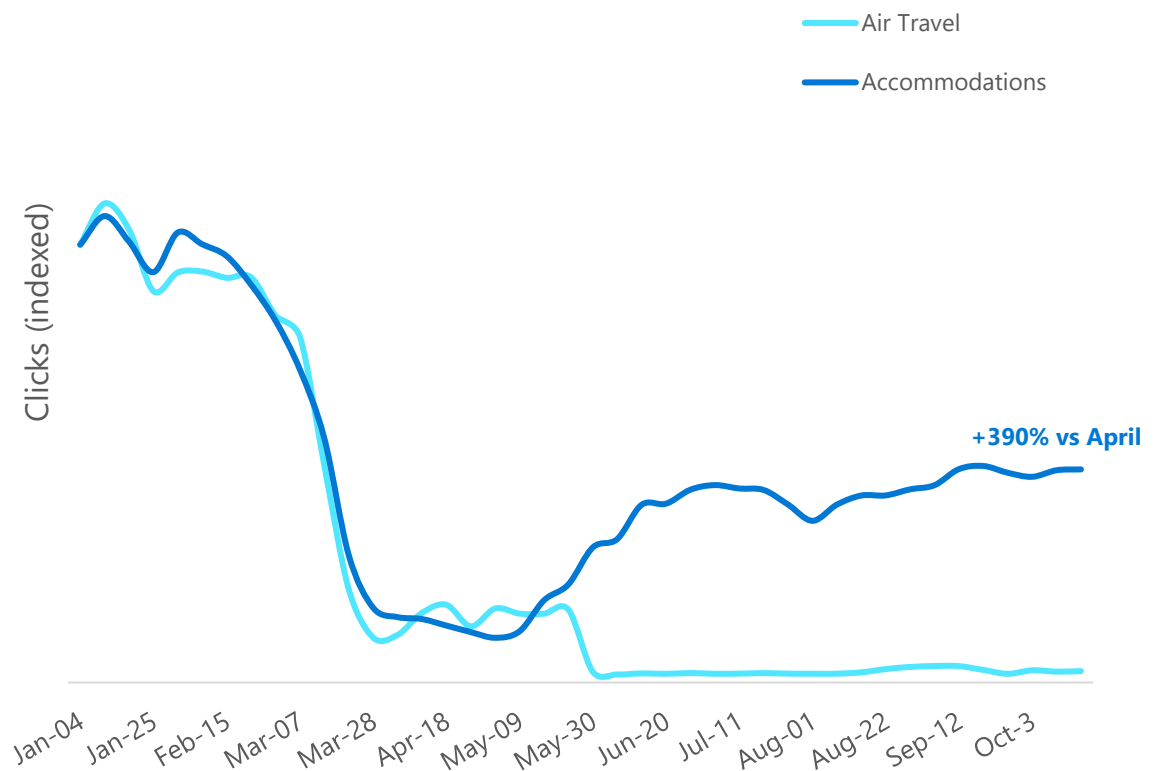
Australian travel advertisers should consider increasing advertising campaigns to take advantage of available consumer's intent.

Accommodation is the most searched category within the Travel sector amidst lockdown easing and borders reopening

Travel sub-category searches
By week start date

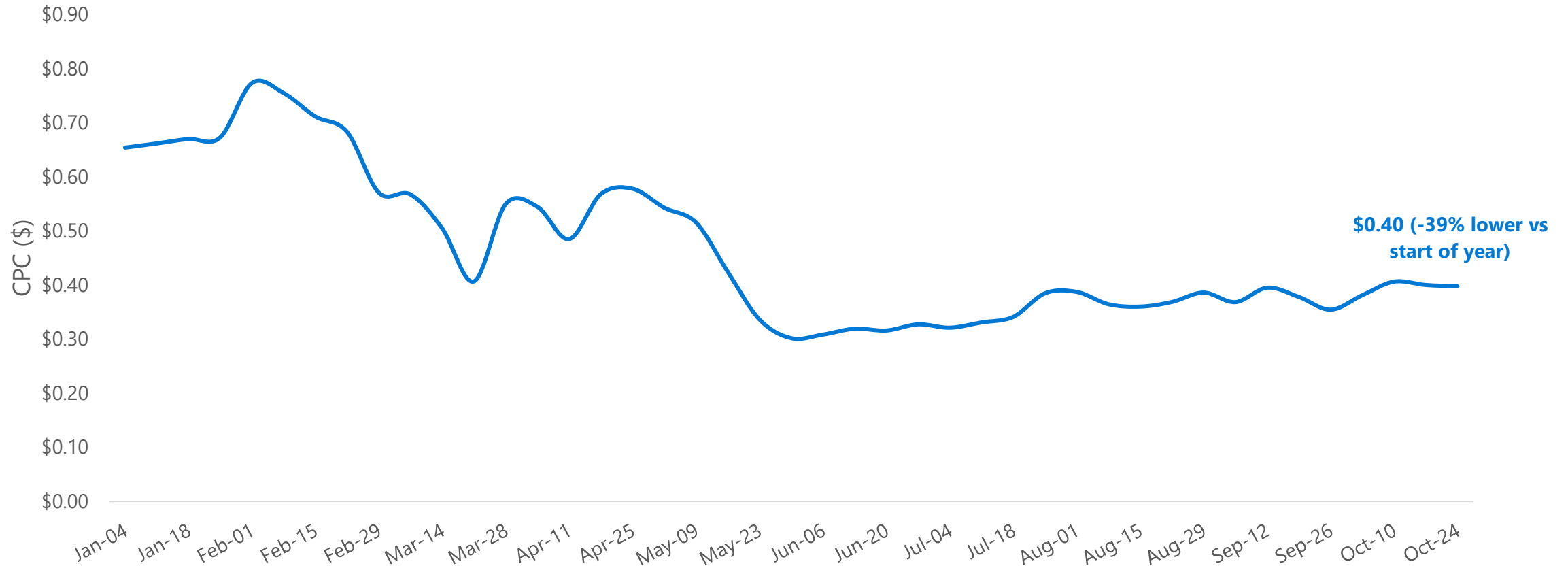


Travel sub-category clicks
By week start date

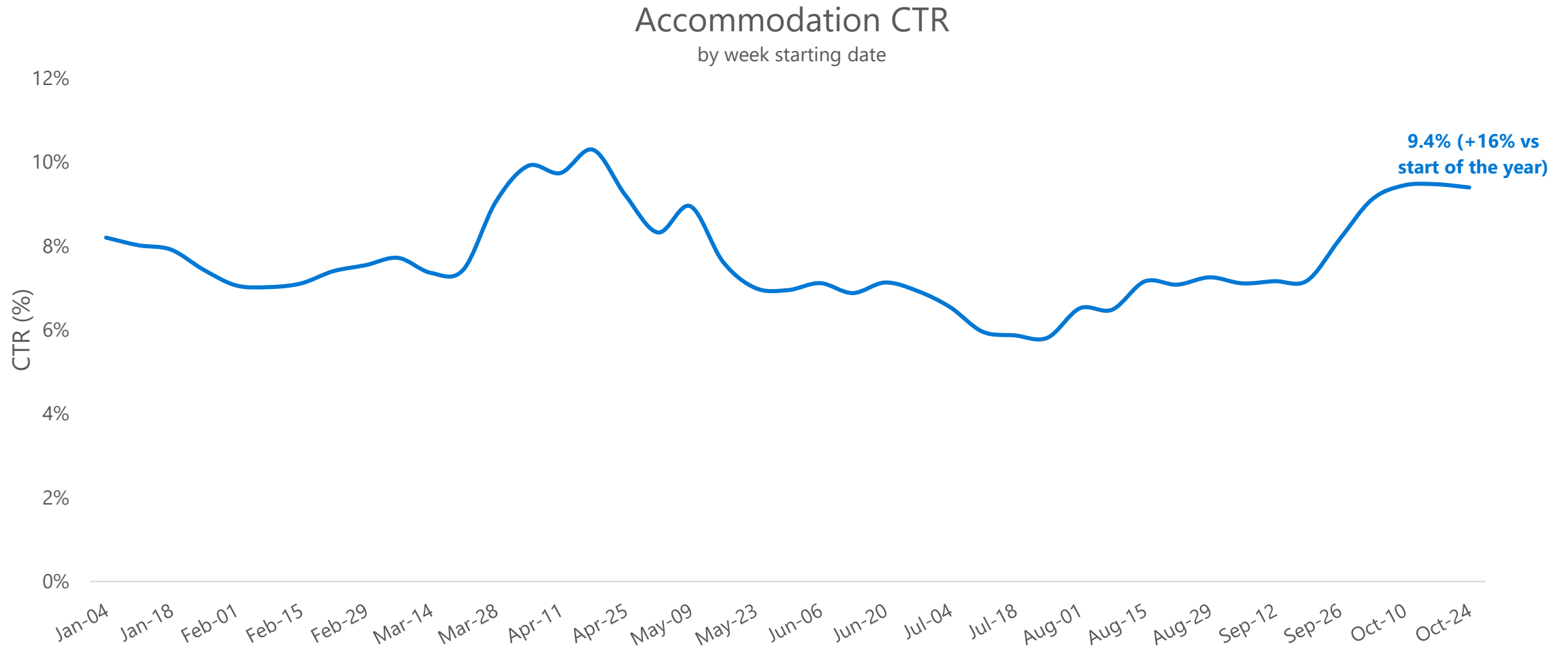


Cost per clicks (CPCs) for Accommodation remain low enabling advertisers to reach customers more cost effectively

Accommodation CPCs
by week starting date

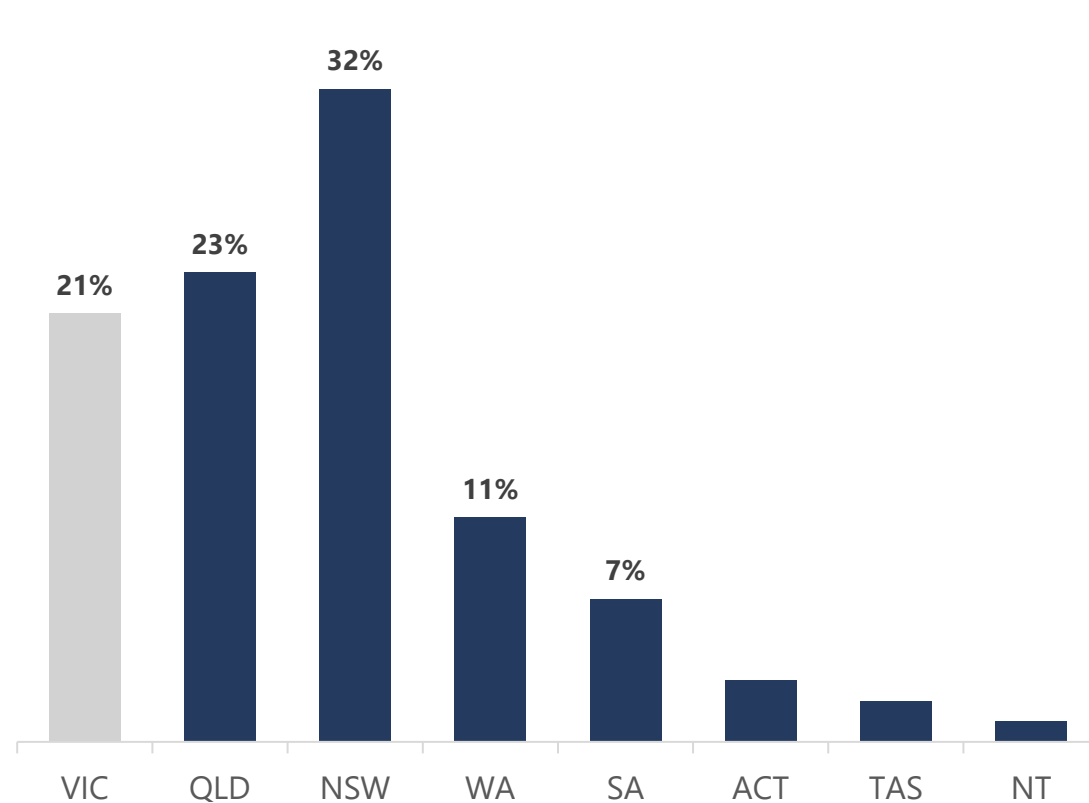


Clickthrough rates (CTRs) for Accommodation have risen **+50%** over the last 3 months, indicating high user engagement

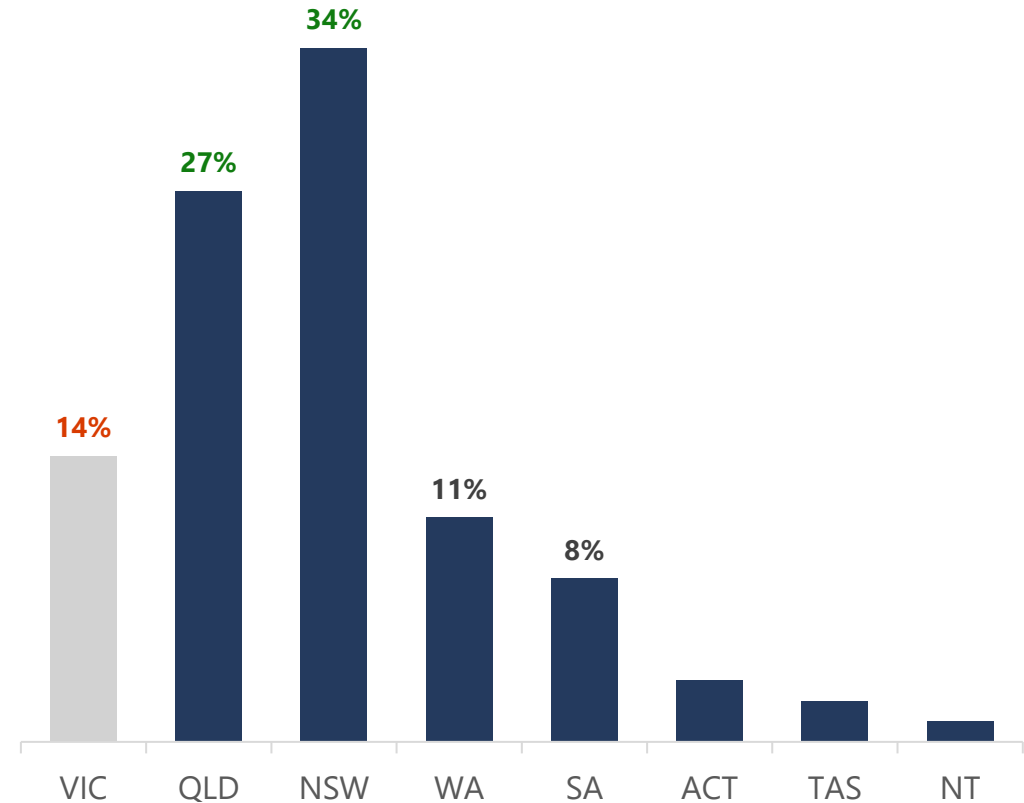


All states have seen an increase in clicks other than Victoria due to the impact of the state's lockdown restrictions

April State % of total clicks



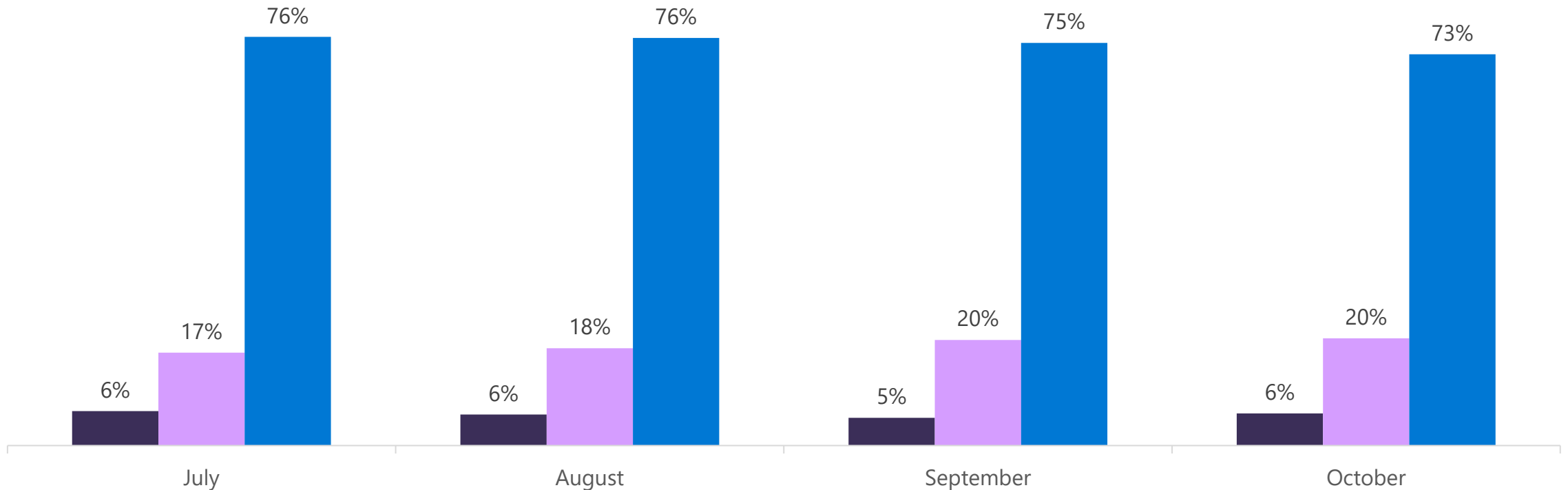
October State % of total clicks



While travelling intrastate remains the biggest traffic driver, clicks for interstate travel are rising steadily

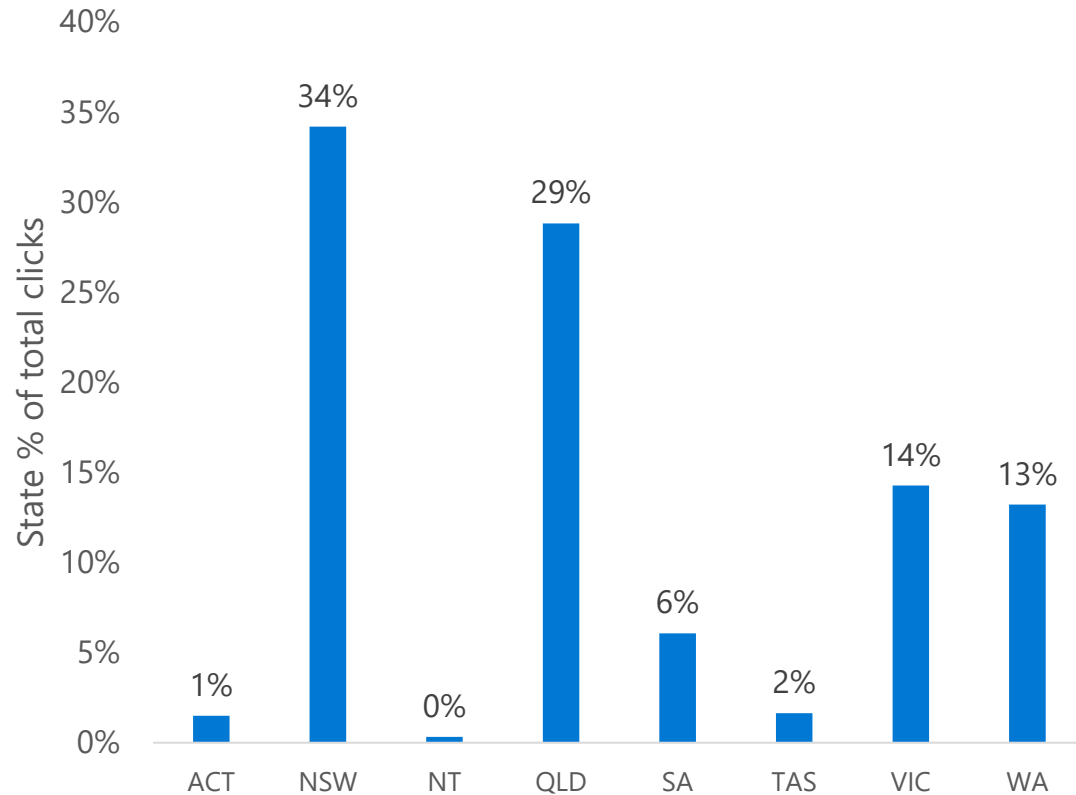
Query Intent type % of total clicks
by month

International Interstate Intrastate

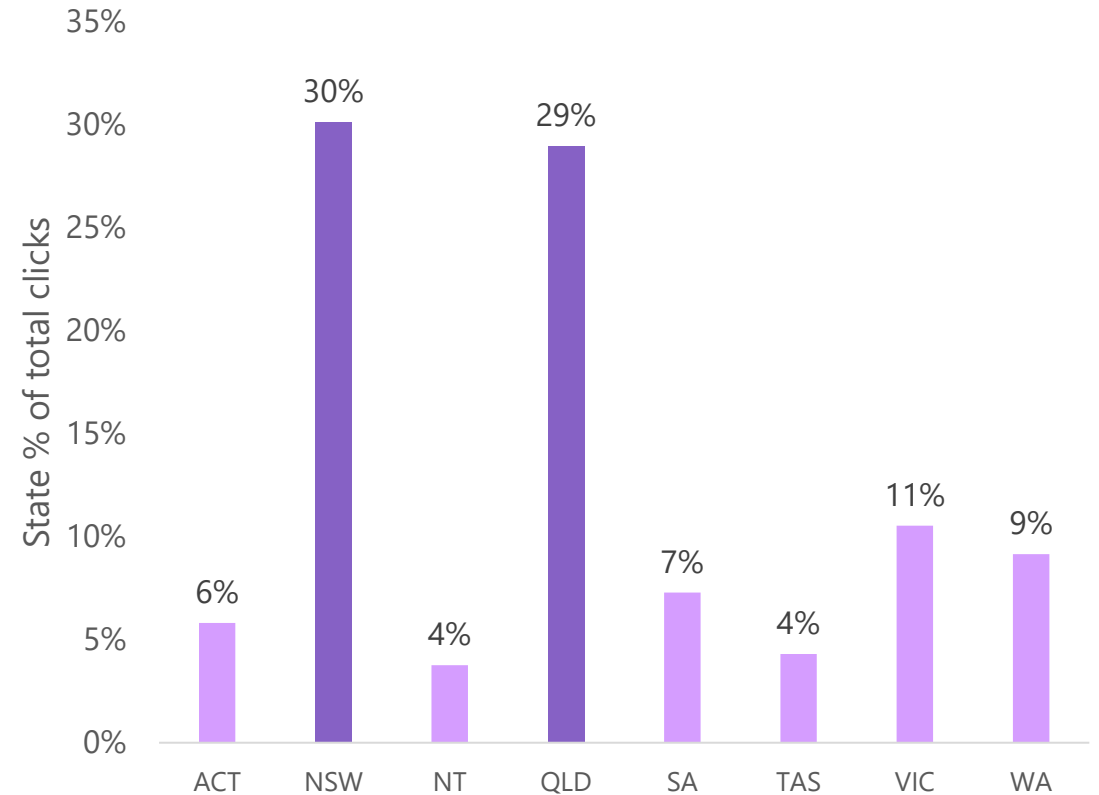


For both Intrastate and Interstate, NSW and QLD are the lead click drivers

Intrastate % of total clicks split by State



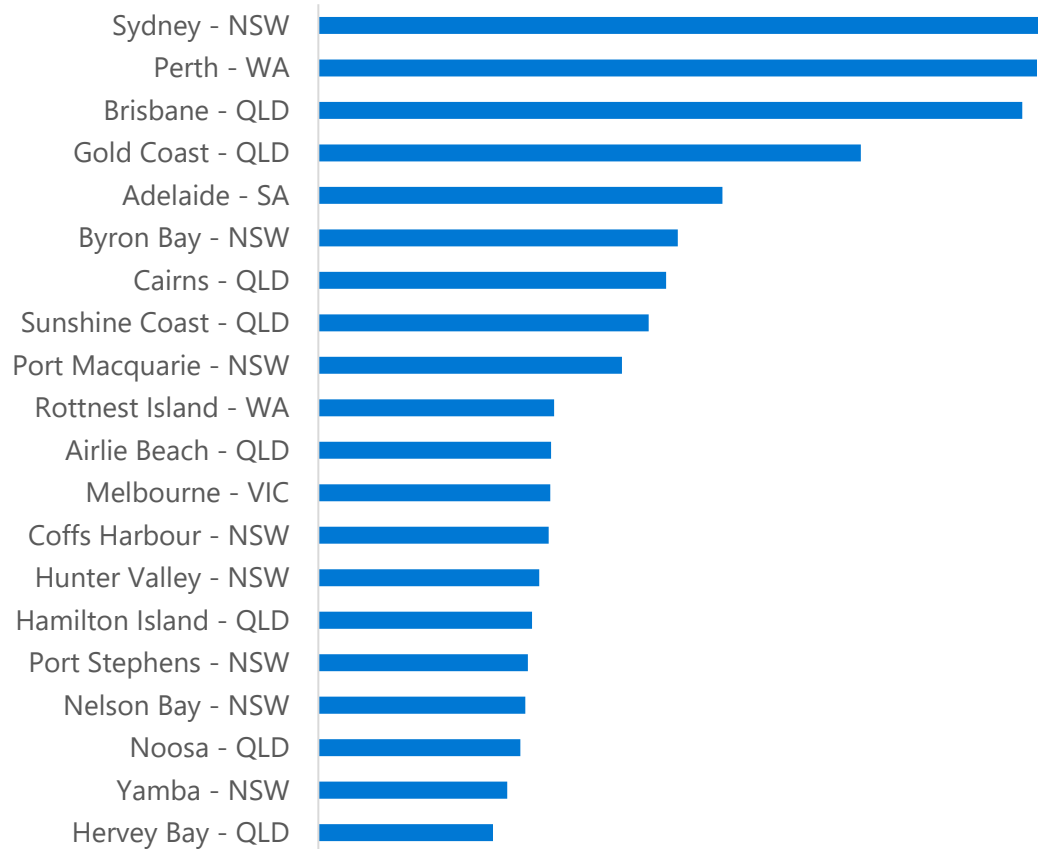
Interstate % of total clicks split by State



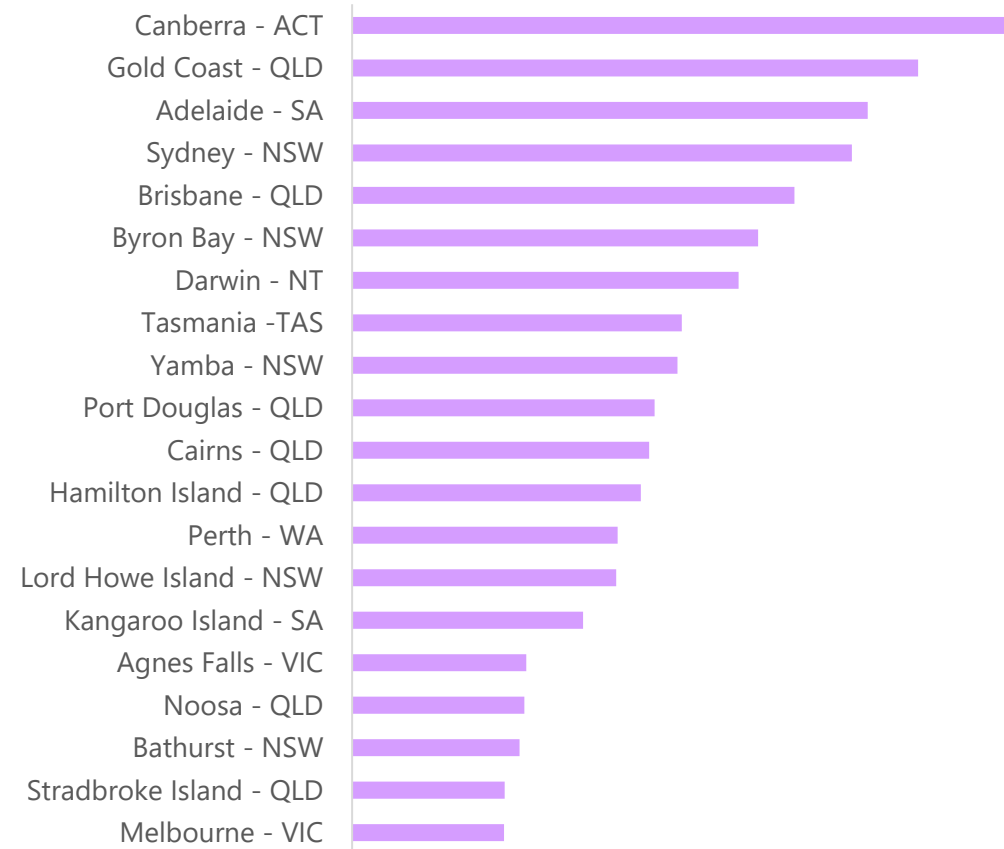
Top 20 overall intrastate and interstate destinations*

Ensure campaigns are capturing these destinations where relevant, [see appendix for state level click reports](#)

Top 20 intrastate destinations clicked



Top 20 interstate destinations clicked

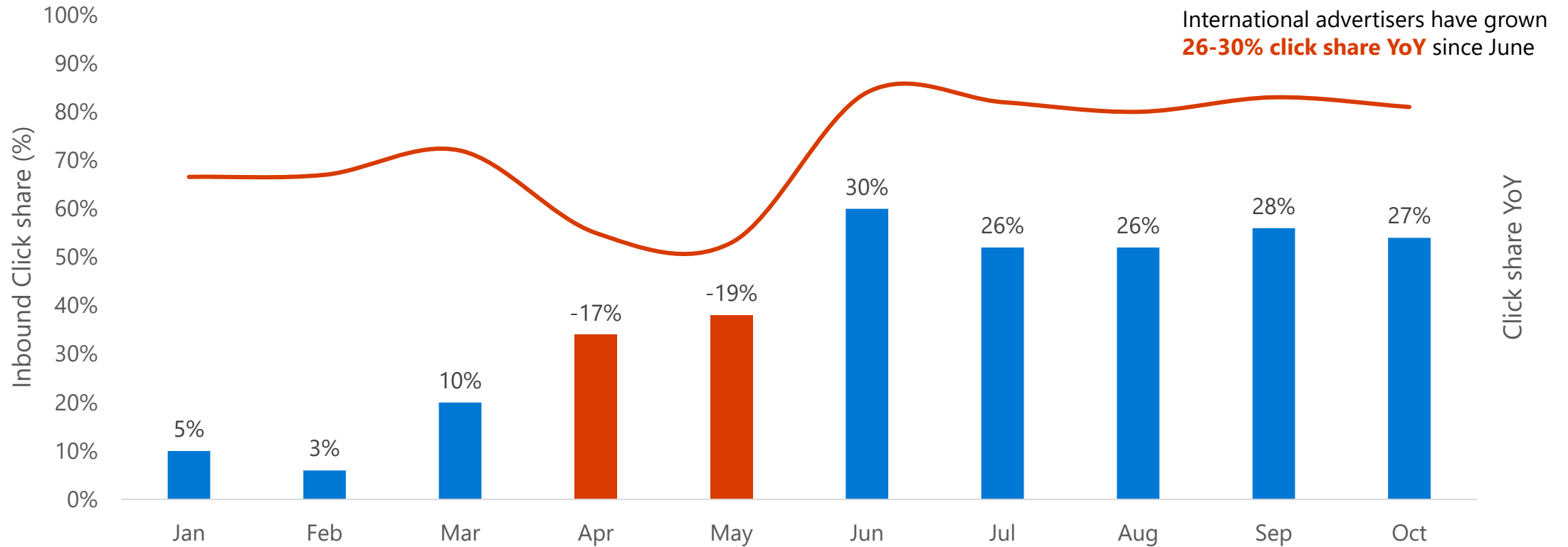


* In October

Data Source: Microsoft internal data | Travel – Accommodation | October 2020 | Click data | All Devices | O&O Core

International advertisers targeting Australia have grown their click share in the Accommodation category

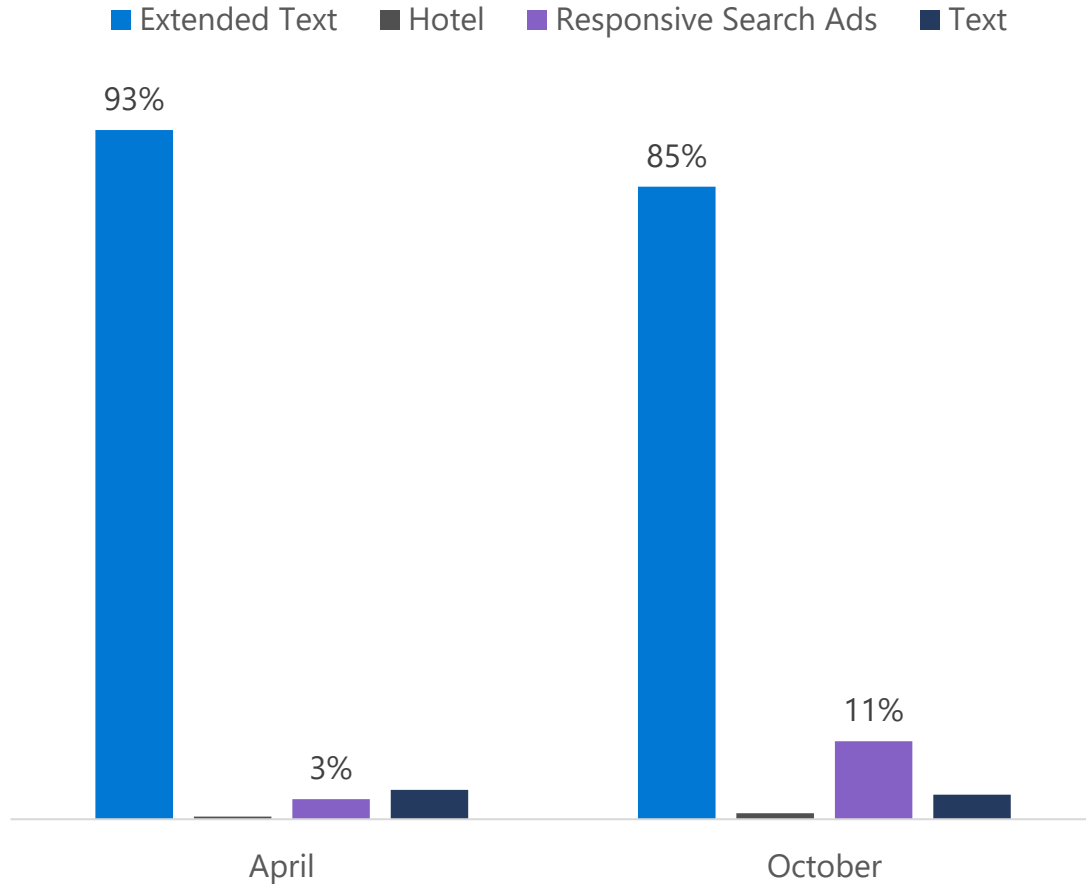
Inbound click share and click share YoY
by Month



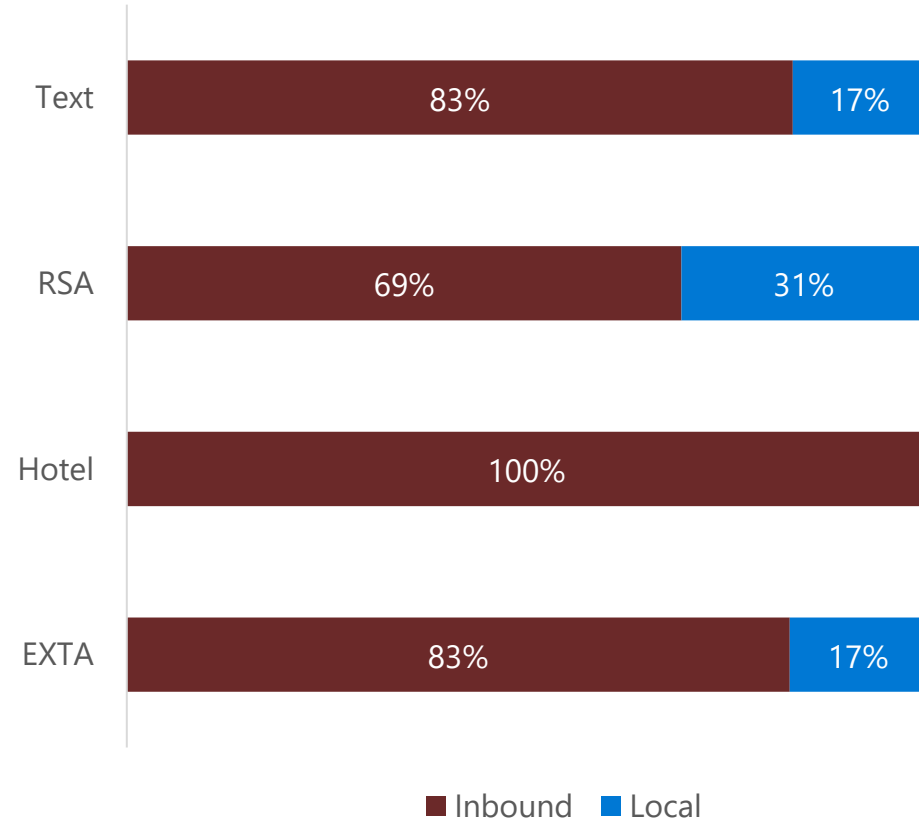
Don't miss out on the upcoming summer peak seasonality! Leverage your local expertise to win back customers.

International advertisers have increased focus towards Responsive Search Ads to stay atop our emerging travel market

Inbound Advertisers Ad Type % of total clicks

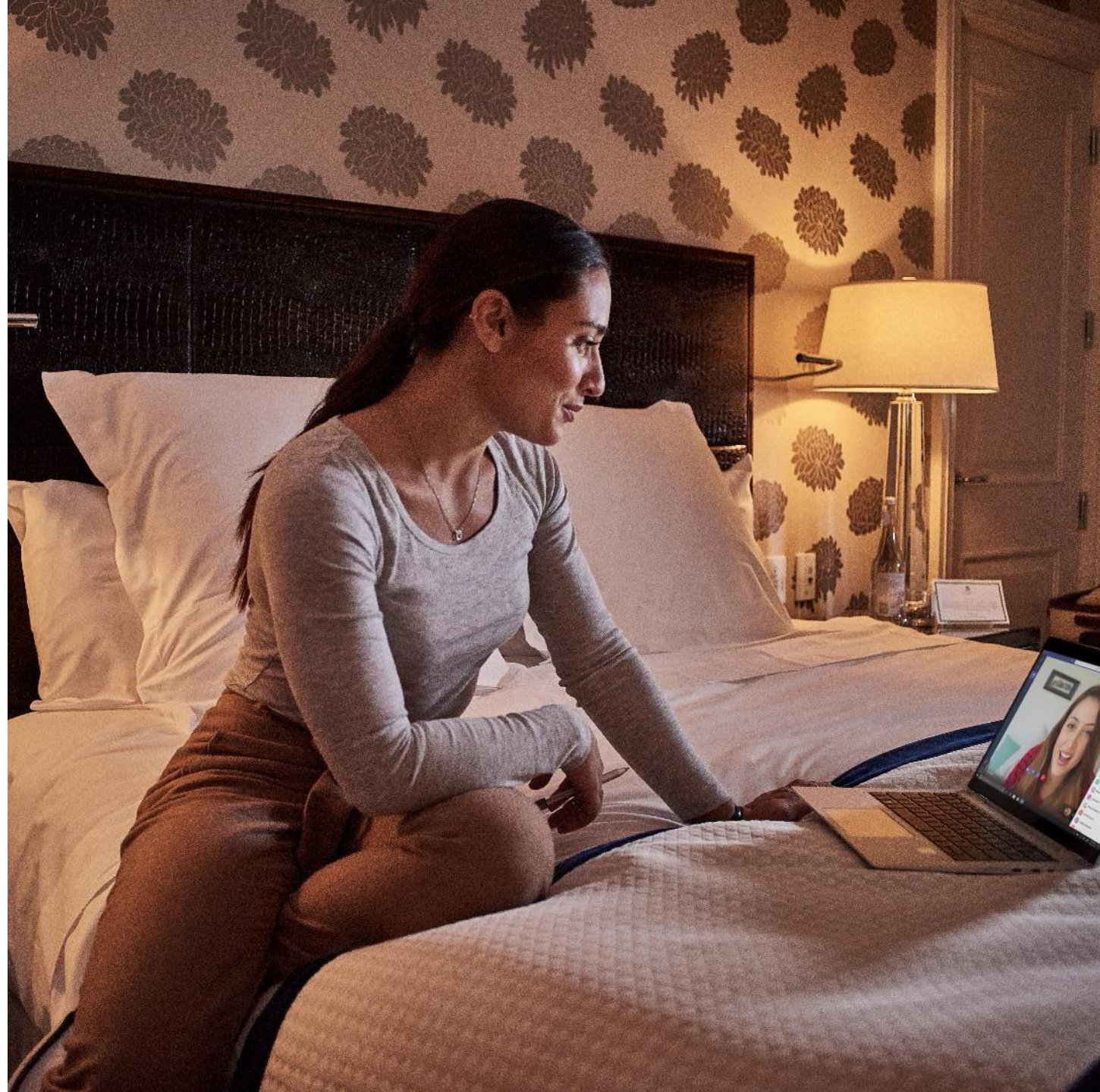


Inbound vs Local % Click Share by Ad Type in October





The User Search Journey



The user search journey for Accommodation is long and complex

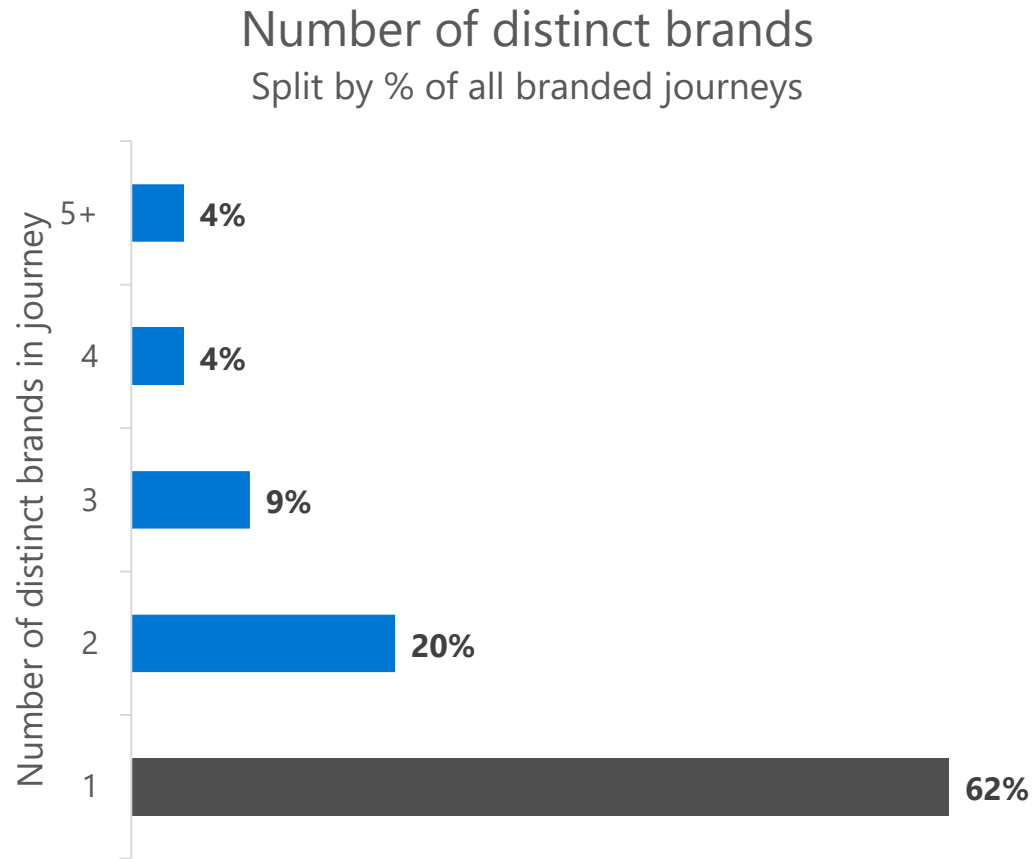
Leverage Remarketing Audiences to stay top of mind for undecided users planning their next trip

An average user
journey takes:

12 searches in 29 days

Users who consider more than 1 brand convert **4 out of 5 times** on a different brand

Remarketing audiences is crucial to increase chances of retaining mind share



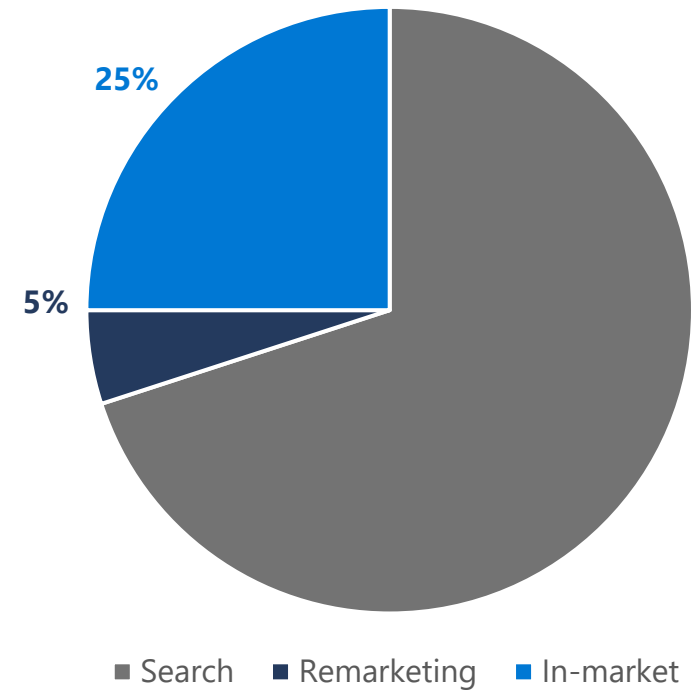
86%

of search journeys with at least two distinct brands convert on brands **different** to the initial brand.



Leverage **audience marketing solutions** to reach consumers with strong purchase intent

July – October Conversions
by Audience Type

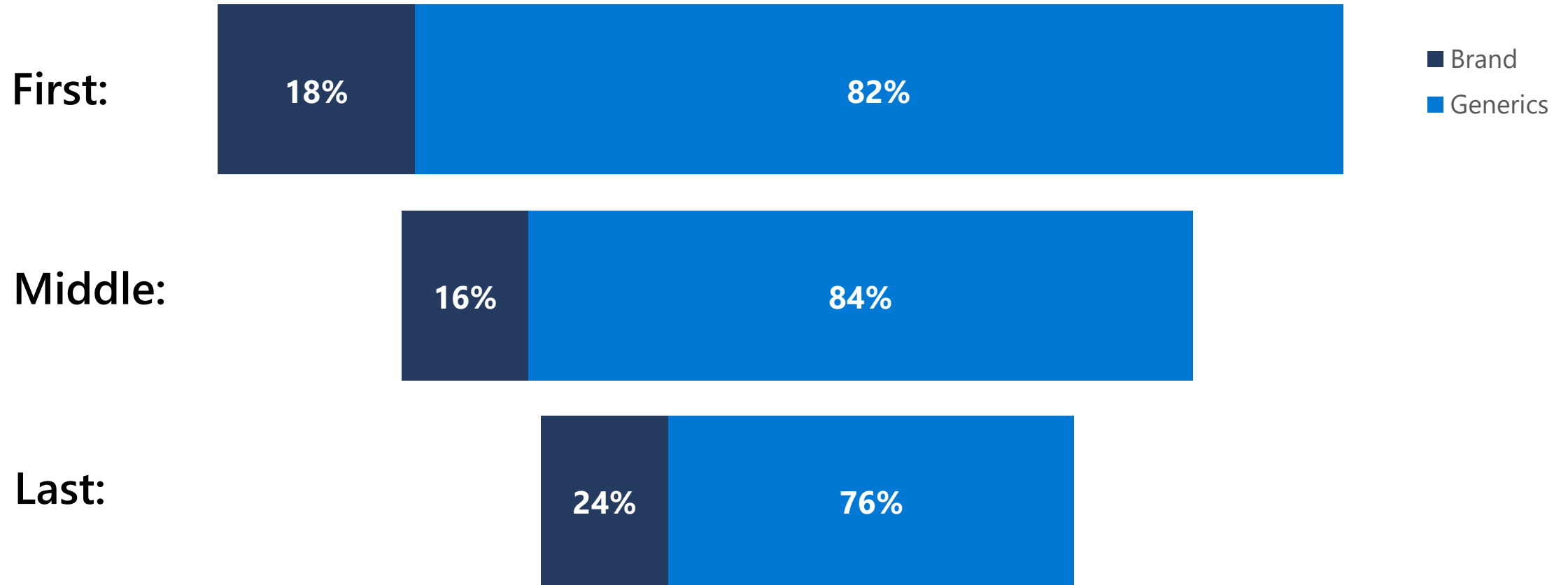


Data Source: Microsoft internal data | Query Path Analysis output | Travel – Accommodation | Jul – Oct 2020 | Conversion and Search data | All Devices | Paid & Organic

Consumers rely heavily on **Generics** throughout the whole journey

Ensure visibility on generic keywords in the research and consideration phase

Customers Purchase Funnel Brand/Generic Split



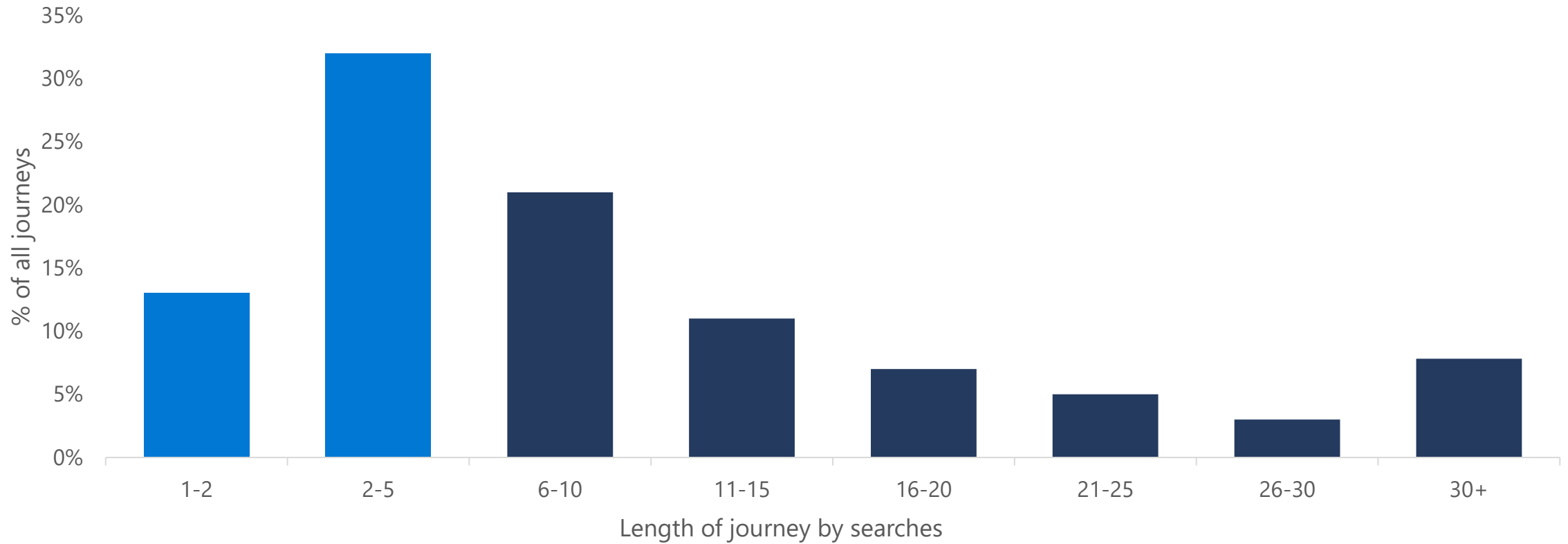
There are **1000+** different domestic locations searched within this period, with new locations monthly as consumer search patterns shift
Leverage **Dynamic Search Ads** as a “catch all” strategy to capture newly emerging queries



However, just under half of user journeys by searchers are short

45% of conversions occur within 1-5 searches, meaning it's important to be in the auction in the early stages of the purchase funnel.

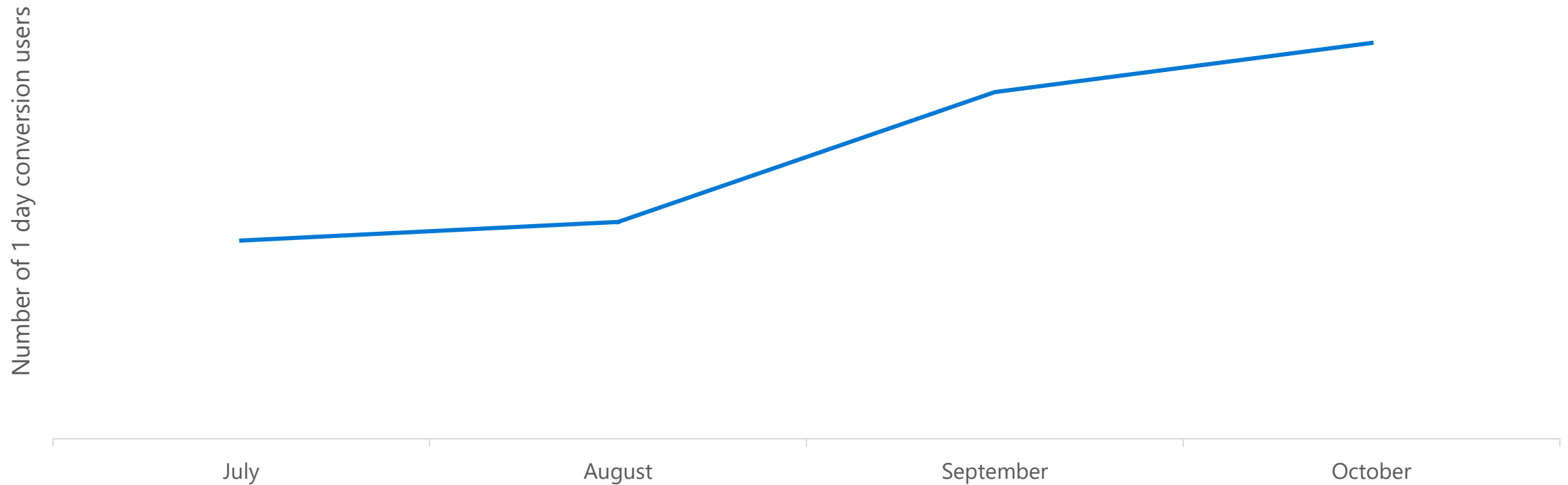
Length of journey by searches
Split by % of all journeys



Decisions are being made faster, with same day* conversions rising

Same day conversions have increased **+88%** in October vs July, signalling an increasing trend of last minute bookings

Number of users converting within a day
By Month



*Same day refers to journeys converting within 24 hours of their first search.

Data Source: Microsoft internal data | Query Path Analysis output | Travel – Accommodation | Jul – Oct 2020 | Conversion and Search data | All Devices | Paid & Organic

Key Takeaways and Actions

1. **Reactivate campaigns to re-engage with your customers:** As restrictions begin to ease with the approach of the summer holiday season, running campaigns on lower CPCs – yet above first page bids threshold – is a **low-risk, cost effective strategy**.
2. **Local vs international advertisers:** Australian brands should capture consumer demand as currently they may be losing out to international brands taking advantage of lower auction competitiveness.
3. **Ensure visibility on generic keywords:** Majority of consumers rely on generic searches throughout their whole journey, through the start (82% of total), middle (84%) and end (76%).
4. **Use Dynamic Search Ads and Responsive Search Ads to capture emerging queries:** Set up DSAs and RSAs as a “catch all” strategy to capture **newly emerging queries** as consumer search patterns are constantly changing
5. **Implement remarketing for recent visitors:** Create remarketing lists with **more recent frequencies** (e.g. 1, 3, 7, 14, 30 days) to target consumers that recently started to investigate holidays and trips.
6. **Fight for presence in the auction:** User journeys are getting shorter and converting within less searches.



Microsoft Advertising. Intelligent connections.

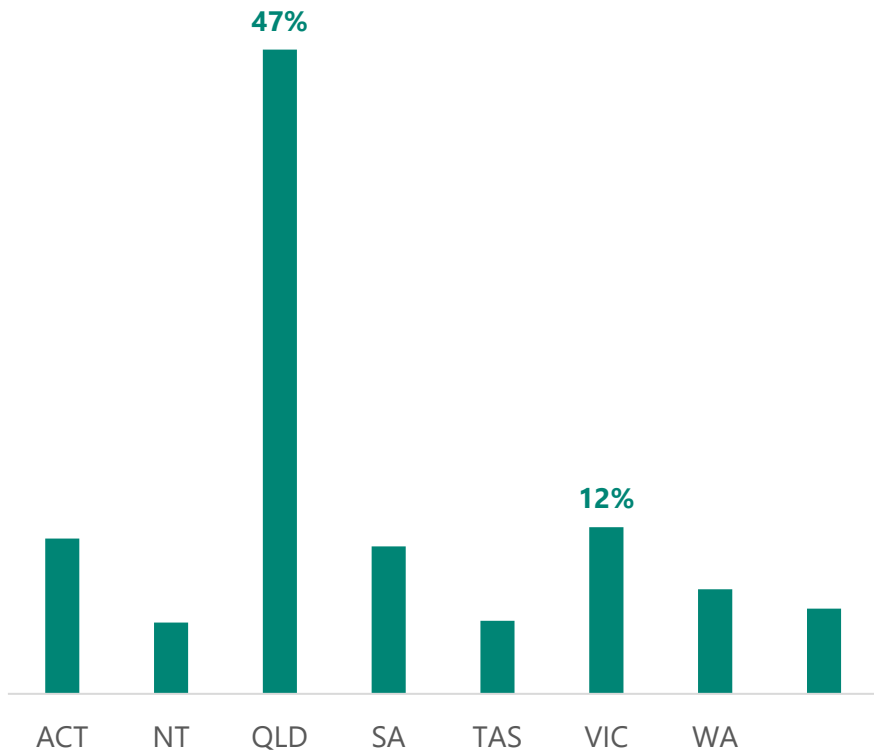
Microsoft.com/advertising

Appendix

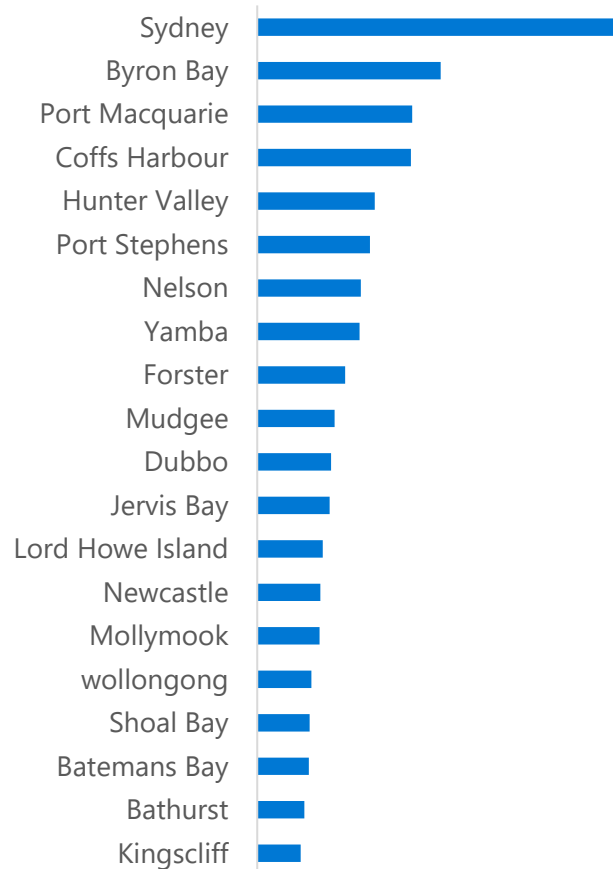
NSW State Report October: Top Interstate and Intrastate destinations

Ensure campaigns are capturing these destinations where relevant

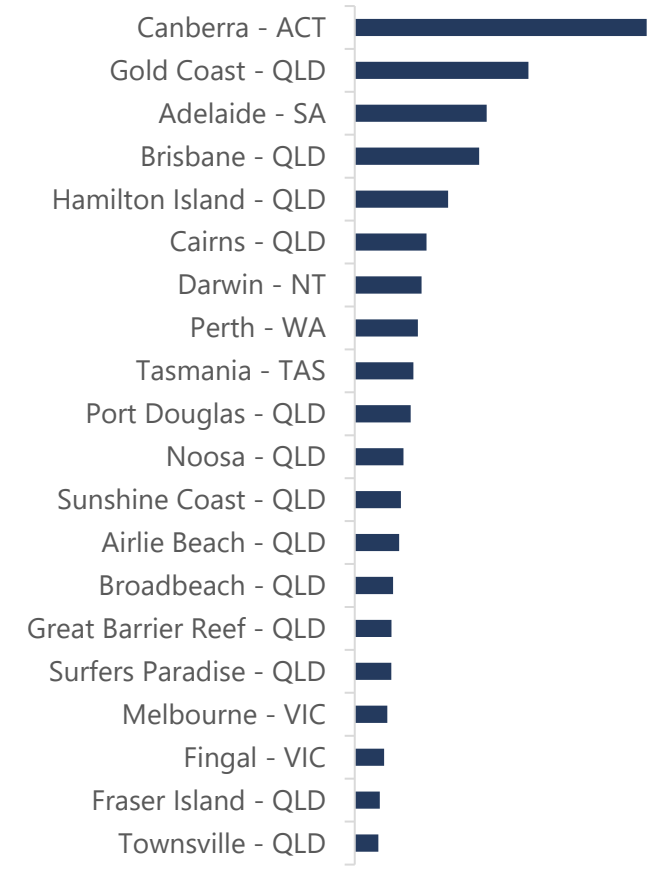
Interstate Travel Click % of total
by State



Top 20 NSW destinations clicked



Top 20 interstate destinations clicked

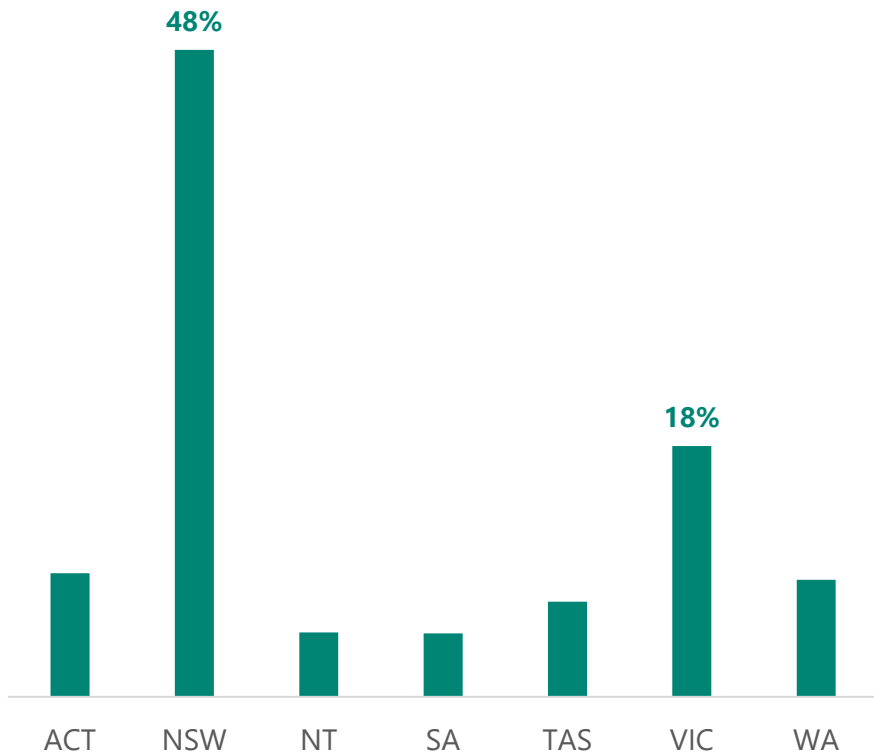


QLD State Report October: Top Interstate and Intrastate destinations

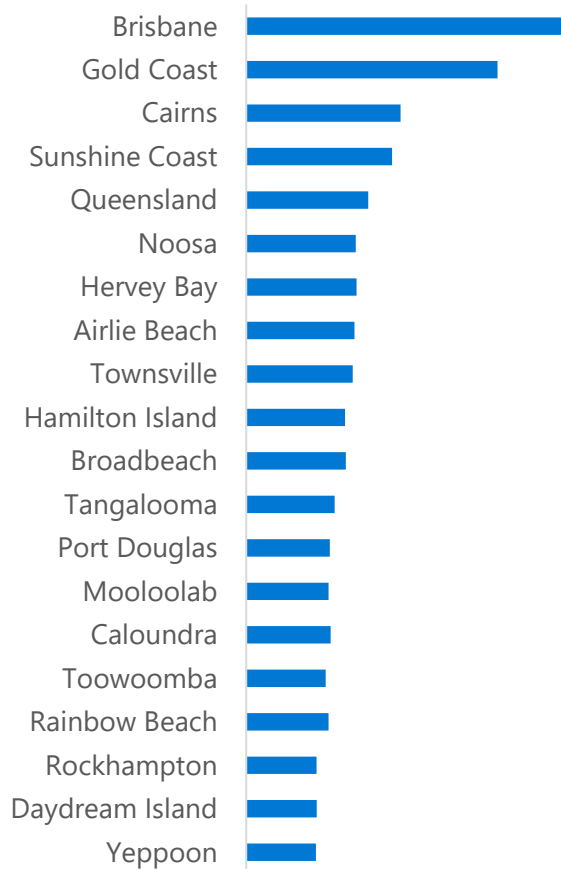
Ensure campaigns are capturing these destinations where relevant

Interstate Travel Click %

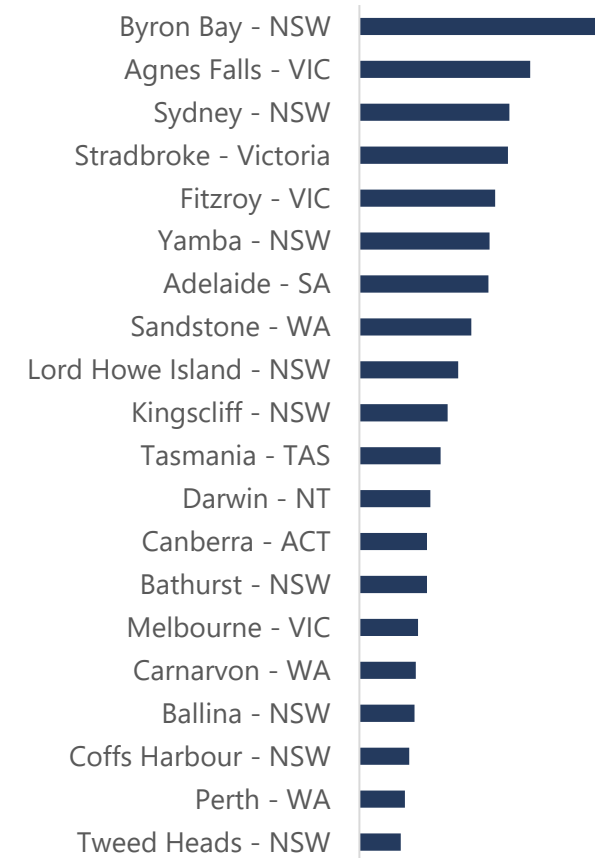
by State



Top 20 QLD destinations clicked



Top 20 interstate destinations clicked

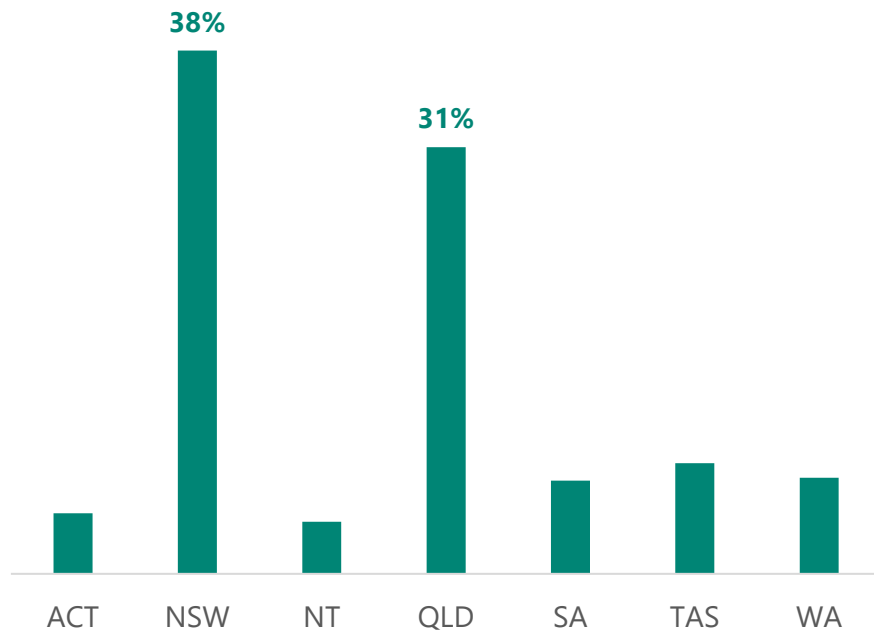


VIC State Report October: Top Interstate and Intrastate destinations

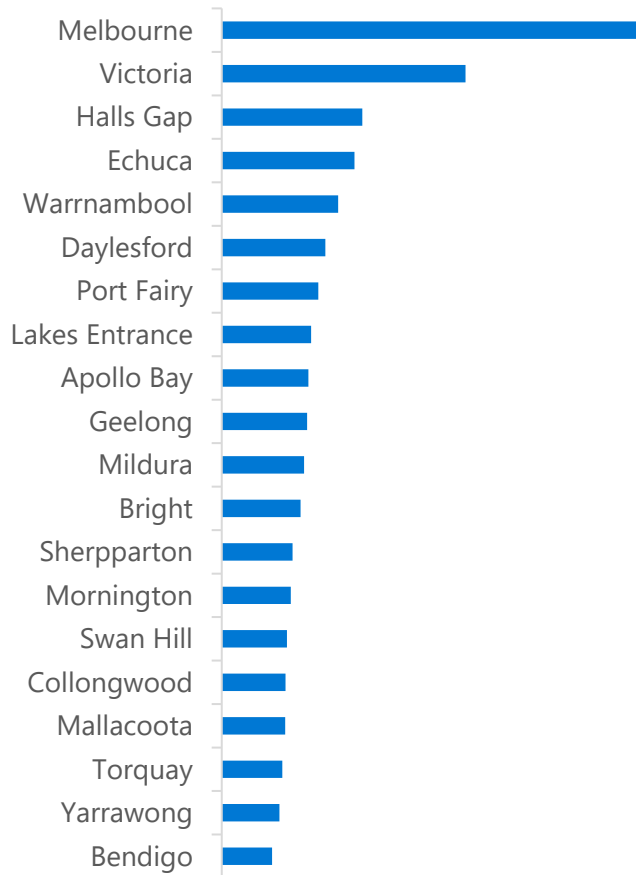
Ensure campaigns are capturing these destinations where relevant

Interstate Travel Click %

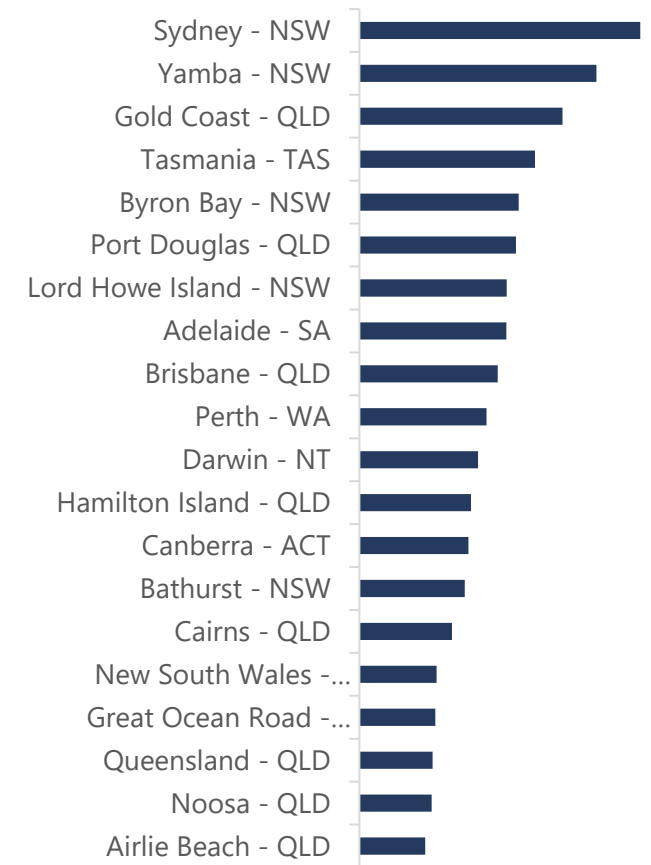
by State



Top 20 VIC destinations clicked



Top 20 interstate destinations clicked

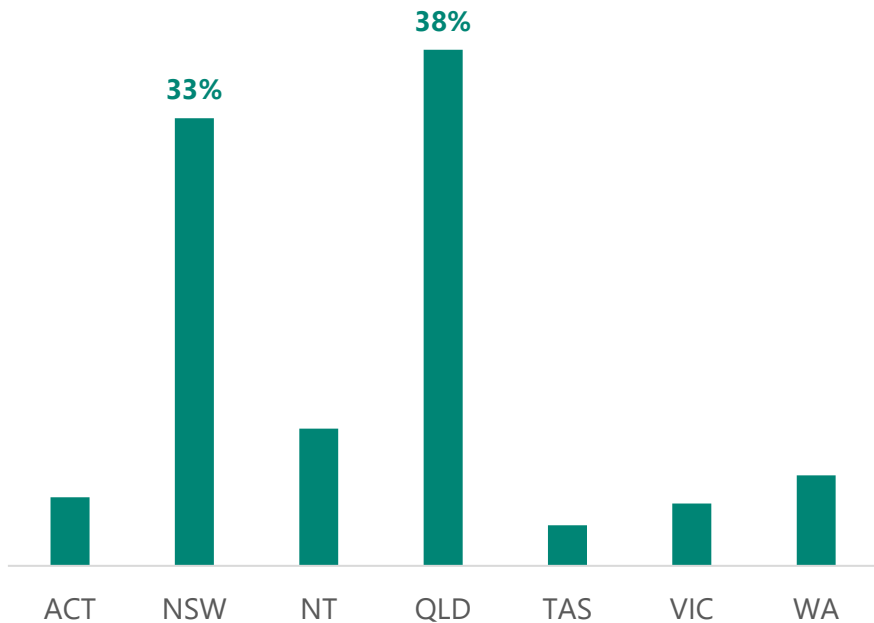


SA State Report October: Top Interstate and Intrastate destinations

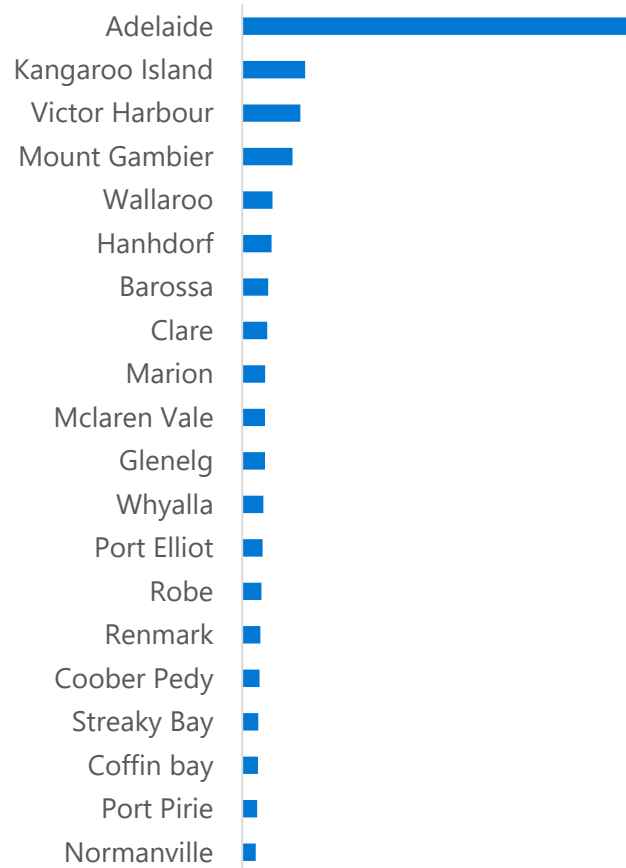
Ensure campaigns are capturing these destinations where relevant

Interstate Travel Click %

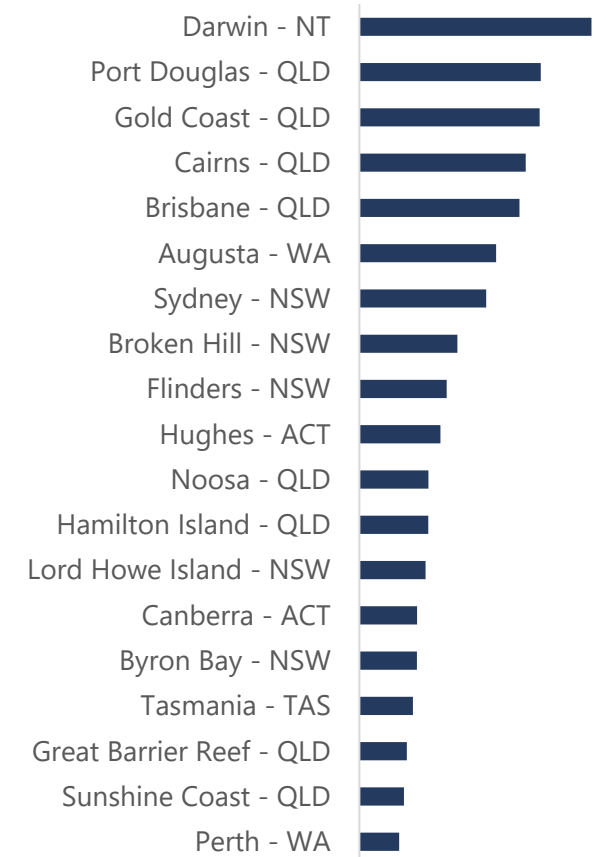
by State



Top 20 SA destinations clicked



Top 20 interstate destinations clicked

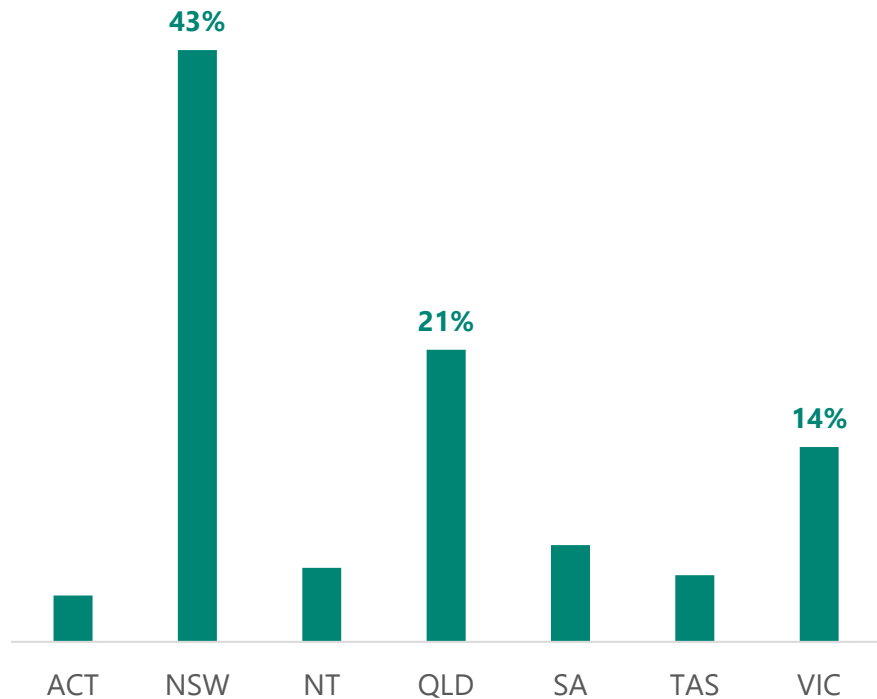


WA State Report October: Top Interstate and Intrastate destinations

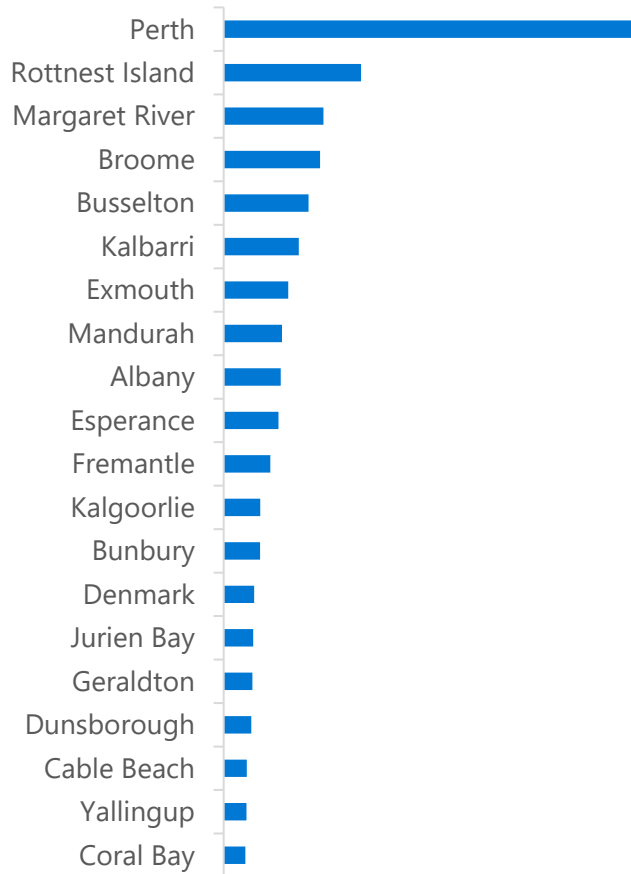
Ensure campaigns are capturing these destinations where relevant

Interstate Travel Click %

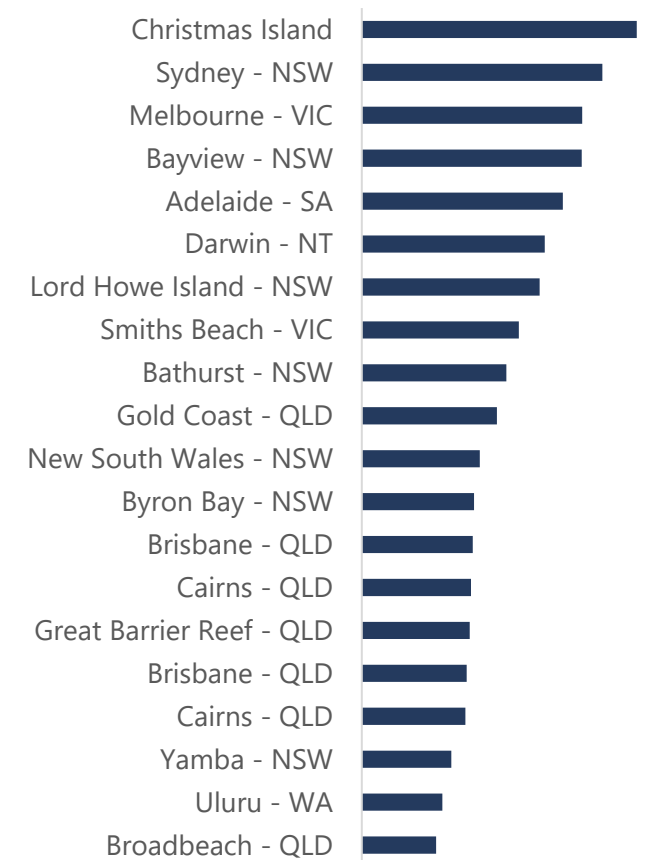
by State



Top 20 SA destinations clicked



Top 20 interstate destinations clicked

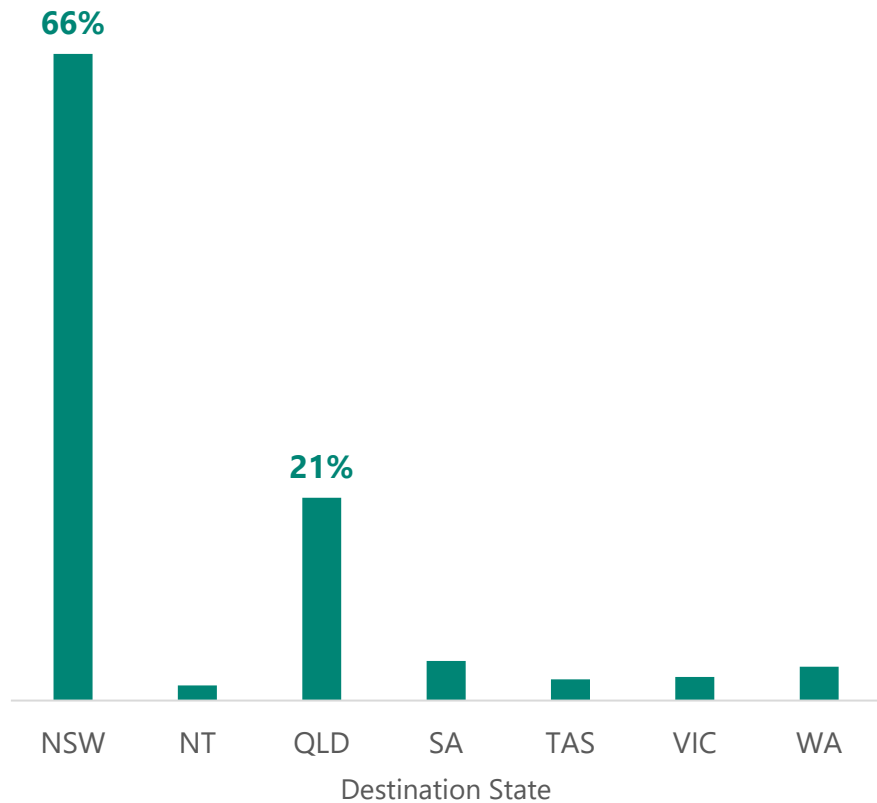


ACT State Report October: Top Interstate and Intrastate destinations

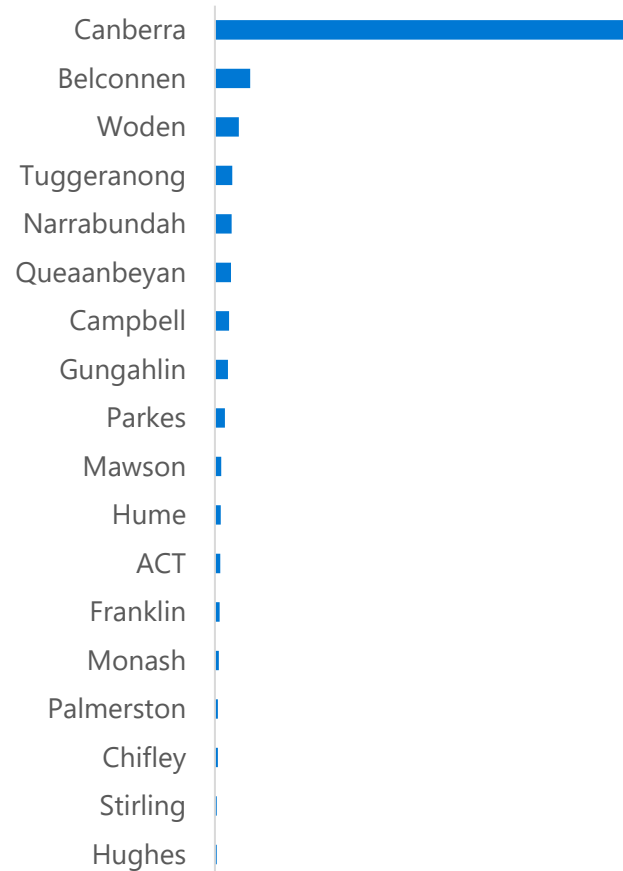
Ensure campaigns are capturing these destinations where relevant

Interstate Travel Click %

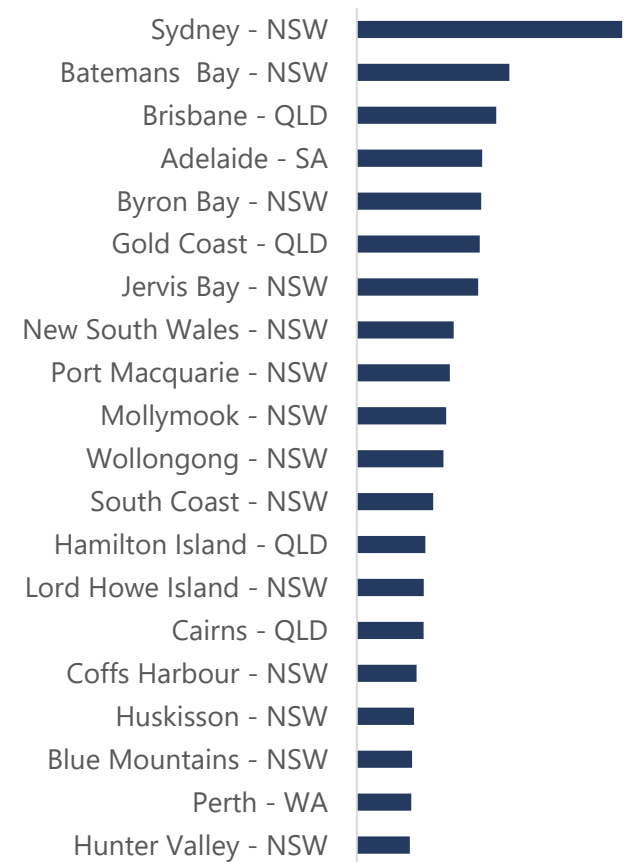
by State



Top 20 ACT destinations clicked



Top 20 interstate destinations clicked

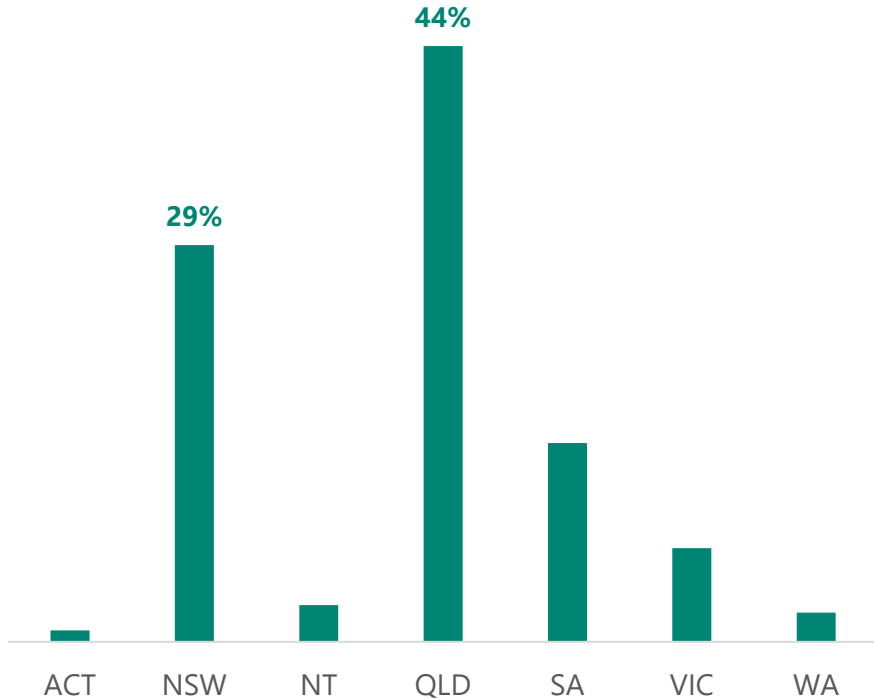


TAS State Report October: Top Interstate and Intrastate destinations

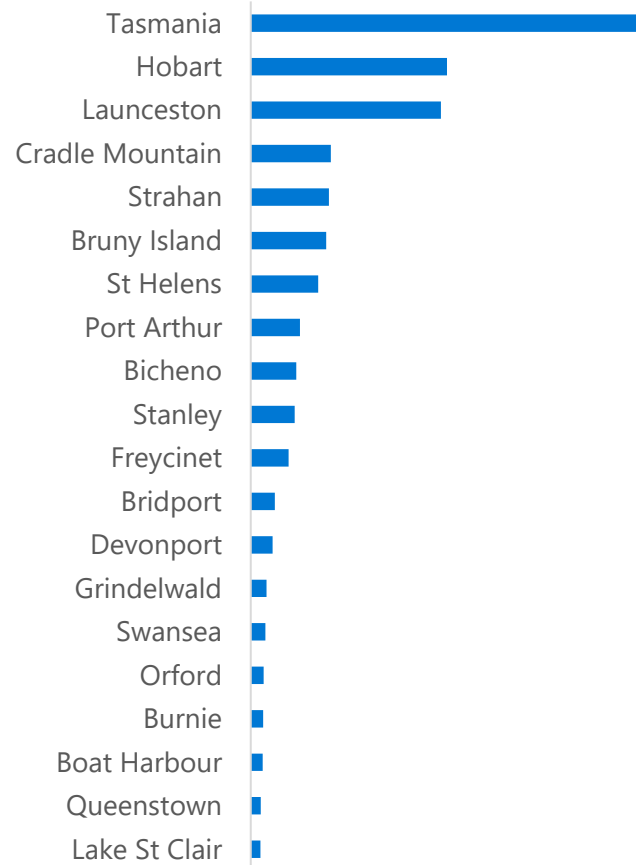
Ensure campaigns are capturing these destinations where relevant

Interstate Travel Click %

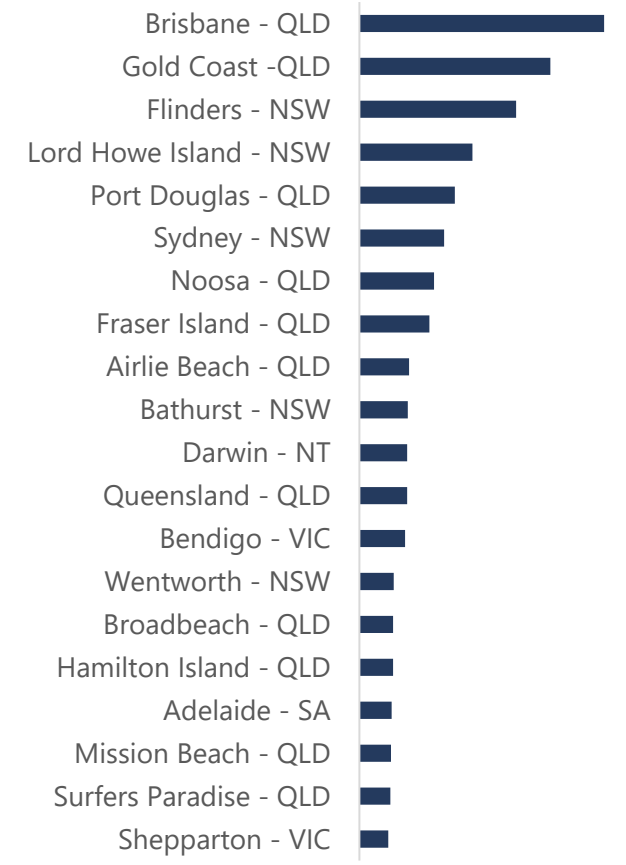
by State



Top 20 TAS destinations clicked



Top 20 interstate destinations clicked

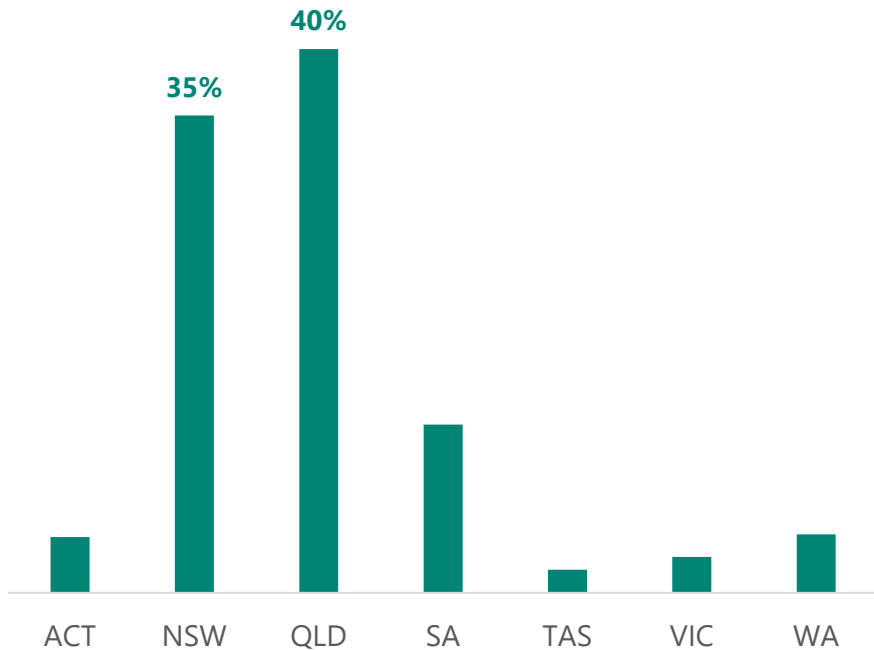


NT State Report October: Top Interstate and Intrastate destinations

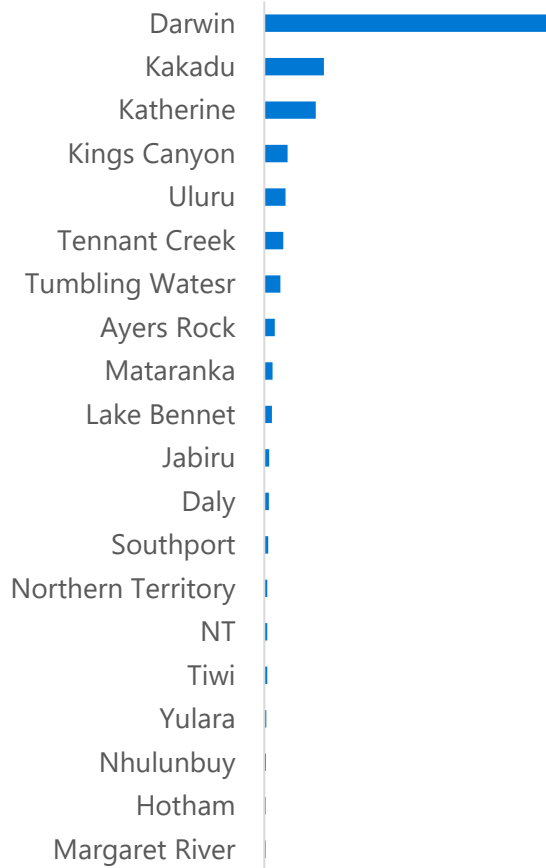
Ensure campaigns are capturing these destinations where relevant

Interstate Travel Click %

by State



Top 20 NT destinations clicked



Top 20 interstate destinations clicked

