Domestic Travel Accommodation Insights
Australia
November 2020

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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"

Source: Tourism Australia, Travel Sentiment Tracker, 07-11 October 2020. [Link](#)
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

Source: Tourism Australia, Travel Sentiment Tracker, 07-11 October 2020. Link
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.

MARKETPLACE TRENDS

Travel sub-category searches
By week start date

Travel sub-category clicks
By week start date

Data Source: Microsoft internal data | Travel – Accommodation | Jan – Oct 2020 | Searches and Clicks | All Devices | O&O Core
MARKETPLACE TRENDS

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

Accommodation CPCs
by week starting date

Data Source: Microsoft internal data | Travel – Accommodation | Jan – Oct 2020 | CPC | All Devices | O&O Core
MARKETPLACE TRENDS

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

Query Intent type % of total clicks by month

- Intrastate = Travel within the current state
- Interstate = Travel from current state to another state

Data Source: Microsoft internal data | Travel – Accommodation | Jul – Oct 2020 | Click data | All Devices | O&O Core
For both Intrastate and Interstate, NSW and QLD are the lead click drivers

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

Intrastate = Travel within the current state
Interstate = Travel from current state to another 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**

1. Sydney - NSW
2. Perth - WA
3. Brisbane - QLD
4. Gold Coast - QLD
5. Adelaide - SA
6. Byron Bay - NSW
7. Cairns - QLD
8. Sunshine Coast - QLD
9. Port Macquarie - NSW
10. Rottnest Island - WA
11. Airlie Beach - QLD
12. Melbourne - VIC
13. Coffs Harbour - NSW
14. Hunter Valley - NSW
15. Hamilton Island - QLD
16. Port Stephens - NSW
17. Nelson Bay - NSW
18. Noosa - QLD
19. Yamba - NSW
20. Hervey Bay - QLD

**Top 20 interstate destinations clicked**

1. Canberra - ACT
2. Gold Coast - QLD
3. Adelaide - SA
4. Sydney - NSW
5. Brisbane - QLD
6. Byron Bay - NSW
7. Darwin - NT
8. Tasmania - TAS
9. Yamba - NSW
10. Port Douglas - QLD
11. Cairns - QLD
12. Hamilton Island - QLD
13. Perth - WA
14. Lord Howe Island - NSW
15. Kangaroo Island - SA
16. Agnes Falls - VIC
17. Noosa - QLD
18. Bathurst - NSW
19. Stradbroke Island - QLD
20. Melbourne - VIC

* 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.

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

CLICK SHARE TRENDS

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.

**CLICK SHARE TRENDS**

Inbound Advertisers Ad Type % of total clicks

- **Extended Text**
  - April: 93%
  - October: 85%
- **Hotel**
  - April: 3%
  - October: 11%
- **Responsive Search Ads**
  - April: 3%
  - October: 11%
- **Text**
  - April: 3%
  - October: 11%

**Inbound vs Local % Click Share by Ad Type in October**

- **Text**
  - Inbound: 83%
  - Local: 17%
- **RSA**
  - Inbound: 69%
  - Local: 31%
- **Hotel**
  - Inbound: 100%
- **EXTA**
  - Inbound: 83%
  - Local: 17%

Data Source: Microsoft internal data | Travel – Accommodation | Apr – Oct 2020 | Click share | All Devices | O&O Core
The User Search Journey
### Methodology

**Query path analysis:**

1. Trace back the search journey from the users’ conversions on Microsoft Search Network. A *journey* is defined by the searches performed by a user before reaching a conversion.

2. Conversion data is based on Universal Event Tracking setup, and contains both paid and organic data.

### Sample size

- **Time range:**
  - Journeys that began and ended within July 1st – Oct 30th 2020

- **Number of searchers:** 23,000~

- **Number of search queries captured:** 295,000~

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**USER JOURNEY INSIGHTS**

Introducing methodology and sample size

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

**Number of distinct brands**

<table>
<thead>
<tr>
<th>Number of distinct brands in journey</th>
<th>% of all branded journeys</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>62%</td>
</tr>
<tr>
<td>2</td>
<td>20%</td>
</tr>
<tr>
<td>3</td>
<td>9%</td>
</tr>
<tr>
<td>4</td>
<td>4%</td>
</tr>
<tr>
<td>5+</td>
<td>4%</td>
</tr>
</tbody>
</table>
Leverage audience marketing solutions to reach consumers with strong purchase intent.

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**

- **First:** 18% (Brand) / 82% (Generics)
- **Middle:** 16% (Brand) / 84% (Generics)
- **Last:** 24% (Brand) / 76% (Generics)

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

Data Source: Microsoft internal data | Travel – Accommodation | Oct 2020 | Click data | All Devices | O&O Core | Subset of data by top 15 advertisers and their top 2000 queries by clicks
QLD State Report October: Top Interstate and Intrastate destinations

Ensure campaigns are capturing these destinations where relevant.

Top 20 Interstate destinations clicked:
- Byron Bay - NSW
- Agnes Falls - VIC
- Sydney - NSW
- Stradbroke - Victoria
- Fitzroy - VIC
- Yamba - NSW
- Adelaide - SA
- Sandstone - WA
- Lord Howe Island - NSW
- Kingscliff - NSW
- Tasmania - TAS
- Darwin - NT
- Canberra - ACT
- Bathurst - NSW
- Melbourne - VIC
- Carnarvon - WA
- Ballina - NSW
- Coffs Harbour - NSW
- Perth - WA
- Tweed Heads - NSW

Top 20 QLD destinations clicked:
- Brisbane
- Gold Coast
- Cairns
- Sunshine Coast
- Queensland
- Noosa
- Hervey Bay
- Airlie Beach
- Townsville
- Hamilton Island
- Broadbeach
- Tangalooma
- Port Douglas
- Mooloolab
- Caloundra
- Toowoomba
- Rainbow Beach
- Rockhampton
- Daydream Island
- Yeppoon

Interstate Travel Click % by State:
- ACT: 48%
- NSW: 18%
- NT: 18%
- SA: 18%
- TAS: 18%
- VIC: 18%
- WA: 18%

Data Source: Microsoft internal data | Travel – Accommodation | Oct 2020 | Click data | All Devices | O&O Core | Subset of data by top 15 advertisers and their top 2000 queries by clicks
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

Data Source: Microsoft internal data | Travel – Accommodation | Oct 2020 | Click data | All Devices | O&O Core | Subset of data by top 15 advertisers and their top 2000 queries by clicks
SA State Report October: Top Interstate and Intrastate destinations

Ensure campaigns are capturing these destinations where relevant

Top 20 SA destinations clicked:
- Adelaide
- Kangaroo Island
- Victor Harbour
- Mount Gambier
- Wallaroo
- Hanhdorf
- Barossa
- Clare
- Marion
- Mclaren Vale
- Glenelg
- Whyalla
- Port Elliot
- Robe
- Renmark
- Coober Pedy
- Streaky Bay
- Coffin bay
- Port Pirie
- Normanville

Top 20 interstate destinations clicked:
- Darwin - NT
- Port Douglass - QLD
- Gold Coast - QLD
- Cairns - QLD
- Brisbane - QLD
- Augusta - WA
- Sydney - NSW
- Broken Hill - NSW
- Flinders - NSW
- Hughes - ACT
- Noosa - QLD
- Hamilton Island - QLD
- Lord Howe Island - NSW
- Canberra - ACT
- Byron Bay - NSW
- Tasmania - TAS
- Great Barrier Reef - QLD
- Sunshine Coast - QLD
- Perth - WA

Interstate Travel Click % by State:
- ACT: 33%
- NSW: 38%
- NT: 21%
- QLD: 25%
- TAS: 22%
- VIC: 20%
- WA: 18%
WA State Report October: Top Interstate and Intrastate destinations

Ensure campaigns are capturing these destinations where relevant

**Interstate Travel Click % by State**

<table>
<thead>
<tr>
<th>State</th>
<th>Click %</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACT</td>
<td>43%</td>
</tr>
<tr>
<td>NSW</td>
<td>21%</td>
</tr>
<tr>
<td>NT</td>
<td>14%</td>
</tr>
<tr>
<td>QLD</td>
<td>14%</td>
</tr>
<tr>
<td>SA</td>
<td>14%</td>
</tr>
<tr>
<td>TAS</td>
<td>14%</td>
</tr>
<tr>
<td>VIC</td>
<td>14%</td>
</tr>
</tbody>
</table>

**Top 20 SA destinations clicked**

- Perth
- Rottnest Island
- Margaret River
- Broome
- Busselton
- Kalbarri
- Exmouth
- Mandurah
- Albany
- Esperance
- Fremantle
- Kalgoorlie
- Bunbury
- Denmark
- Jurien Bay
- Geraldton
- Dunsborough
- Cable Beach
- Yallingup
- Coral Bay

**Top 20 interstate destinations clicked**

- Christmas Island
- Sydney - NSW
- Melbourne - VIC
- Bayview - NSW
- Adelaide - SA
- Darwin - NT
- Lord Howe Island - NSW
- Smiths Beach - VIC
- Bathurst - NSW
- Gold Coast - QLD
- New South Wales - NSW
- Byron Bay - NSW
- Brisbane - QLD
- Cairns - QLD
- Great Barrier Reef - QLD
- Brisbane - QLD
- Cairns - QLD
- Yamba - NSW
- Uluru - WA
- Broadbeach - QLD

Data Source: Microsoft internal data | Travel – Accommodation | Oct 2020 | Click data | All Devices | O&O Core | Subset of data by top 15 advertisers and their top 2000 queries by clicks
**ACT State Report October: Top Interstate and Intrastate destinations**

Ensure campaigns are capturing these destinations where relevant

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### Interstate Travel Click % by State

<table>
<thead>
<tr>
<th>Destination State</th>
<th>Interstate Click %</th>
</tr>
</thead>
<tbody>
<tr>
<td>NSW</td>
<td>66%</td>
</tr>
<tr>
<td>NT</td>
<td></td>
</tr>
<tr>
<td>QLD</td>
<td>21%</td>
</tr>
<tr>
<td>SA</td>
<td></td>
</tr>
<tr>
<td>TAS</td>
<td></td>
</tr>
<tr>
<td>VIC</td>
<td></td>
</tr>
<tr>
<td>WA</td>
<td></td>
</tr>
</tbody>
</table>

### Top 20 ACT destinations clicked

1. Canberra
2. Belconnen
3. Woden
4. Tuggeranong
5. Narrabundah
6. Queanbeyan
7. Campbell
8. Gungahlin
9. Parkes
10. Mawson
11. Hume
12. ACT
13. Franklin
14. Monash
15. Palmerston
16. Chifley
17. Stirling
18. Hughes

### Top 20 interstate destinations clicked

1. Sydney - NSW
2. Batemans Bay - NSW
3. Brisbane - QLD
4. Adelaide - SA
5. Byron Bay - NSW
6. Gold Coast - QLD
7. Jervis Bay - NSW
8. New South Wales - NSW
9. Port Macquarie - NSW
10. Mollymook - NSW
11. Wollongong - NSW
12. South Coast - NSW
13. Hamilton Island - QLD
14. Lord Howe Island - NSW
15. Cairns - QLD
16. Coffs Harbour - NSW
17. Huskisson - NSW
18. Blue Mountains - NSW
19. Perth - WA
20. Hunter Valley - NSW

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Data Source: Microsoft internal data | Travel – Accommodation | Oct 2020 | Click data | All Devices | O&O Core | Subset of data by top 15 advertisers and their top 2000 queries by clicks
Ensure campaigns are capturing these destinations where relevant.

**Top Interstate and Intrastate destinations**

### Interstate Travel Click % by State

- **Tasmania**: 44%
- **Queensland (QLD)**: 29%

### Top 20 TAS destinations clicked

1. Tasmania
2. Hobart
3. Launceston
4. Cradle Mountain
5. Strahan
6. Bruny Island
7. St Helens
8. Port Arthur
9. Bicheno
10. Stanley
11. Freycinet
12. Bridport
13. Devonport
14. Grindelwald
15. Swansea
16. Orford
17. Burnie
18. Boat Harbour
19. Queenstown
20. Lake St Clair

### Top 20 interstate destinations clicked

1. Brisbane - QLD
2. Gold Coast - QLD
3. Flinders - NSW
4. Lord Howe Island - NSW
5. Port Douglas - QLD
6. Sydney - NSW
7. Noosa - QLD
8. Fraser Island - QLD
9. Airlie Beach - QLD
10. Bathurst - NSW
11. Darwin - NT
12. Queensland - QLD
13. Bendigo - VIC
14. Wentworth - NSW
15. Broadbeach - QLD
16. Hamilton Island - QLD
17. Adelaide - SA
18. Mission Beach - QLD
19. Surfers Paradise - QLD
20. Shepparton - VIC

Data Source: Microsoft internal data | Travel – Accommodation | Oct 2020 | Click data | All Devices | O&O Core | Subset of data by top 15 advertisers and their top 2000 queries by clicks
NT State Report October: Top Interstate and Intrastate destinations

Ensure campaigns are capturing these destinations where relevant

Top 20 NT destinations clicked
- Darwin
- Kakadu
- Katherine
- Kings Canyon
- Uluru
- Tennant Creek
- Tumbling Waters
- Ayers Rock
- Mataranka
- Lake Bennett
- Jabiru
- Daly
- Southport
- Northern Territory
- NT
- Tiwi
- Yulara
- Nhulunbuy
- Hotham
- Margaret River

Top 20 interstate destinations clicked
- Adelaide - SA
- Brisbane - QLD
- Cairns - QLD
- Melbourne - VIC
- Sydney - NSW
- Gold Coast - QLD
- Tasmania - TAS
- Perth - WA
- Townsville - QLD
- Kununurra - WA
- Great Barrier Reef - QLD
- Canberra - ACT
- Litchfield - VIC
- Broome - WA
- Port Douglas - QLD
- Coober Pedy - SA
- Dundee - NSW
- Airlie Beach - QLD
- Palmerstons - QLD
- Kangaroo Island - NSW

Data Source: Microsoft internal data | Travel – Accommodation | Oct 2020 | Click data | All Devices | O&O Core | Subset of data by top 15 advertisers and their top 2000 queries by clicks