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Microsoft Advertising Insights
# Cross-shopping for Hotels and Vacation Rentals

Microsoft Advertising. Intelligent connections.

Nearly one million accommodations searches were examined. User cross-shopping search behaviors were assessed and quantified on their paths to conversion.

Total searches analyzed

Queries triggering ads for Hotel, Vacation Rental, and Online Travel Agency (OTA) advertisers; September-November 2020
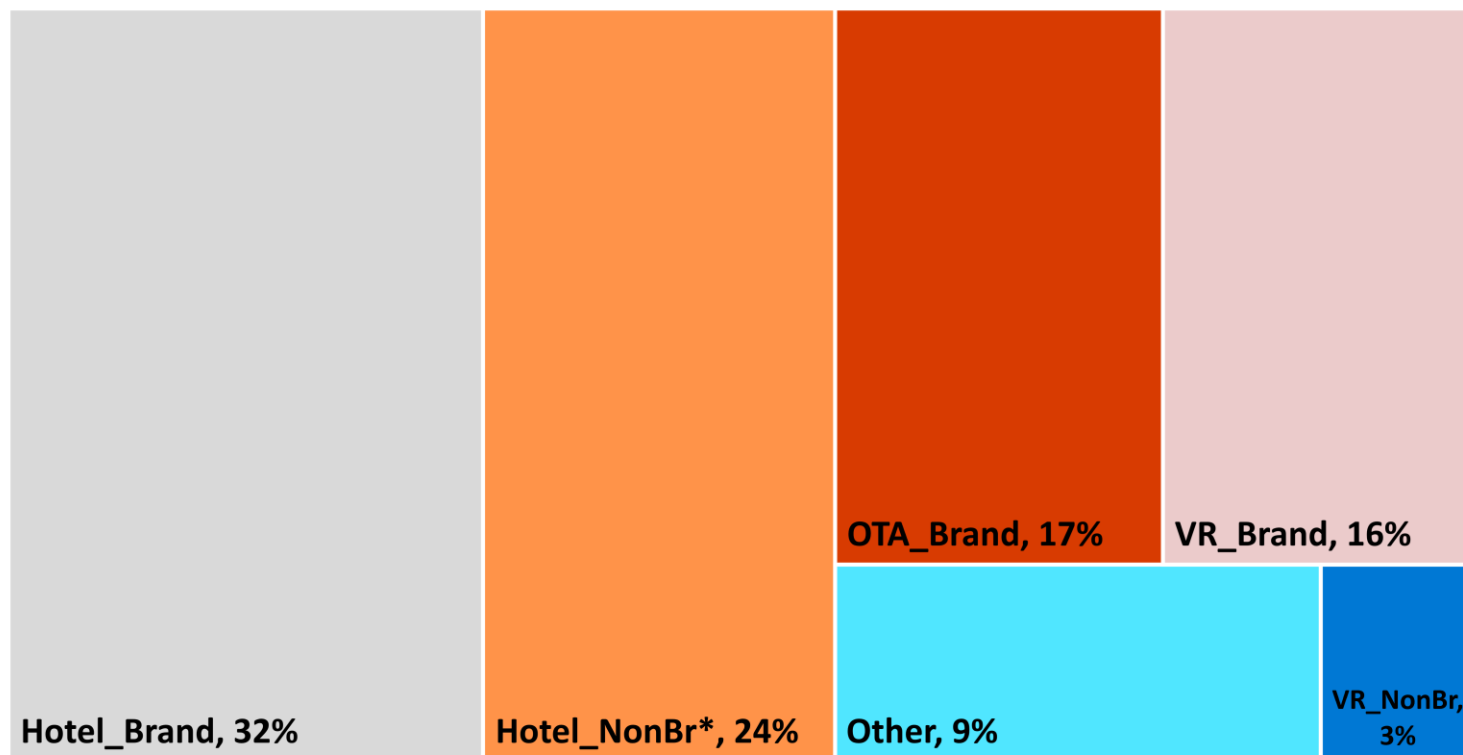
Other = Generic accommodations queries (e.g. "lodging," "places to stay")
*Hotel_NonBr includes some unclassified hotel queries

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Agenda

1 Cross-shopping sequencing

2 Audience overlap

3 Recommendations
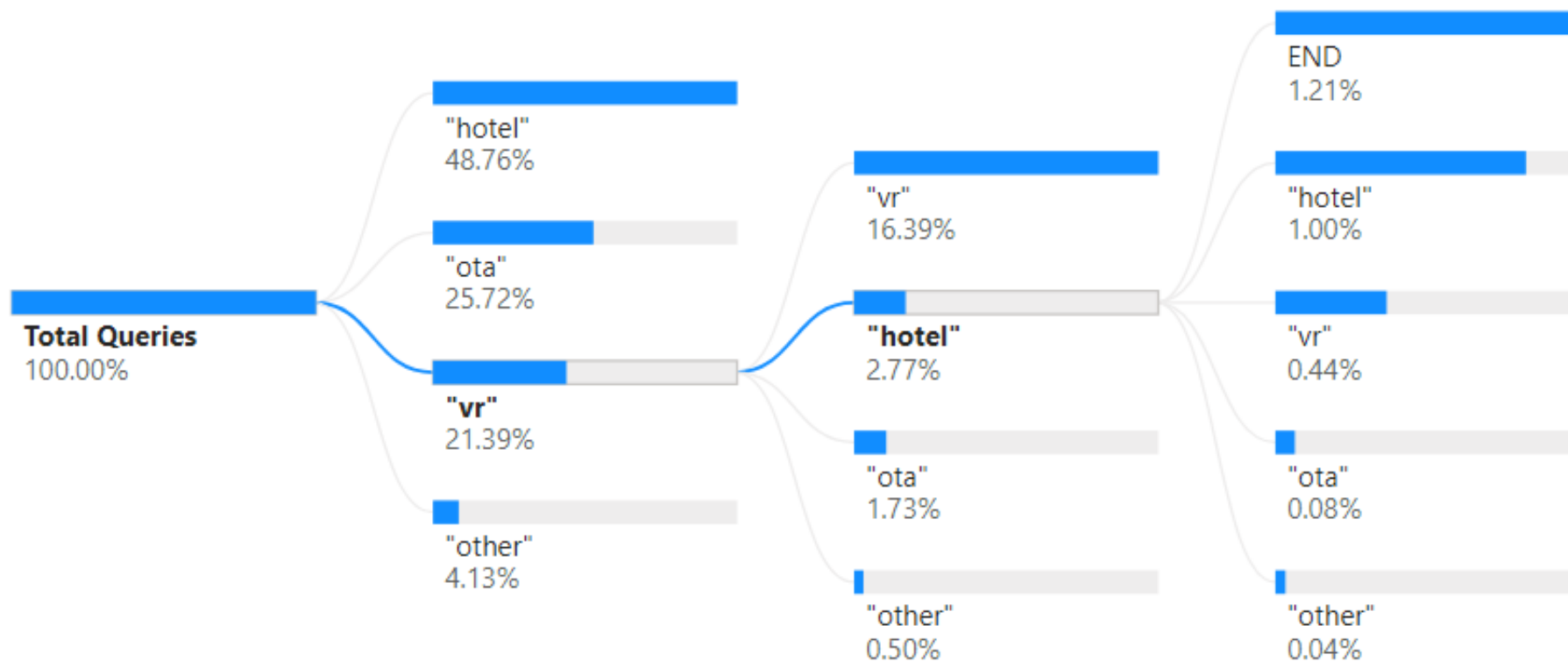
4 Client success story

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Cross-shopping sequencing

Share of total searches

"hotel"
48.76%

"ota"
25.72%

Total Queries
100.00%

"vr"
21.39%

"other"
4.13%

"vr"
16.39%

"hotel"
2.77%

"ota"
1.73%

"other"
0.50%

END
1.21%

"hotel"
1.00%

"vr"
0.44%

"ota"
0.08%

"other"
0.04%

*excludes unclassified searches; Other refers to generic Accommodations searches

Source: Microsoft Advertising internal data; search query path aggregation; Sep-Nov 2020
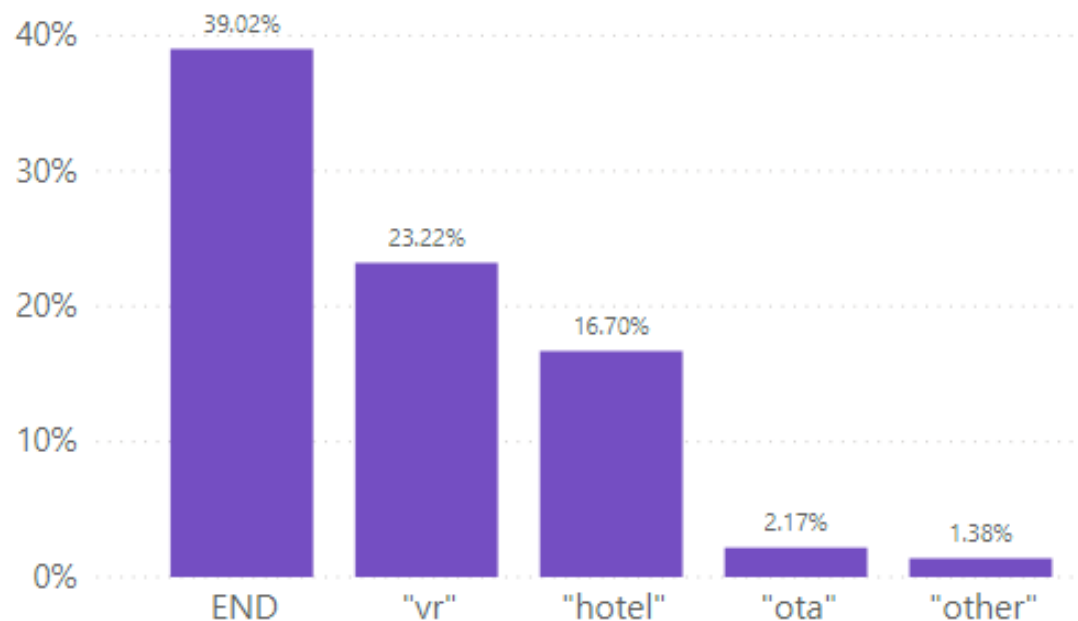
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Share of total searches

*excludes unclassified searches; Other refers to generic Accommodations searches

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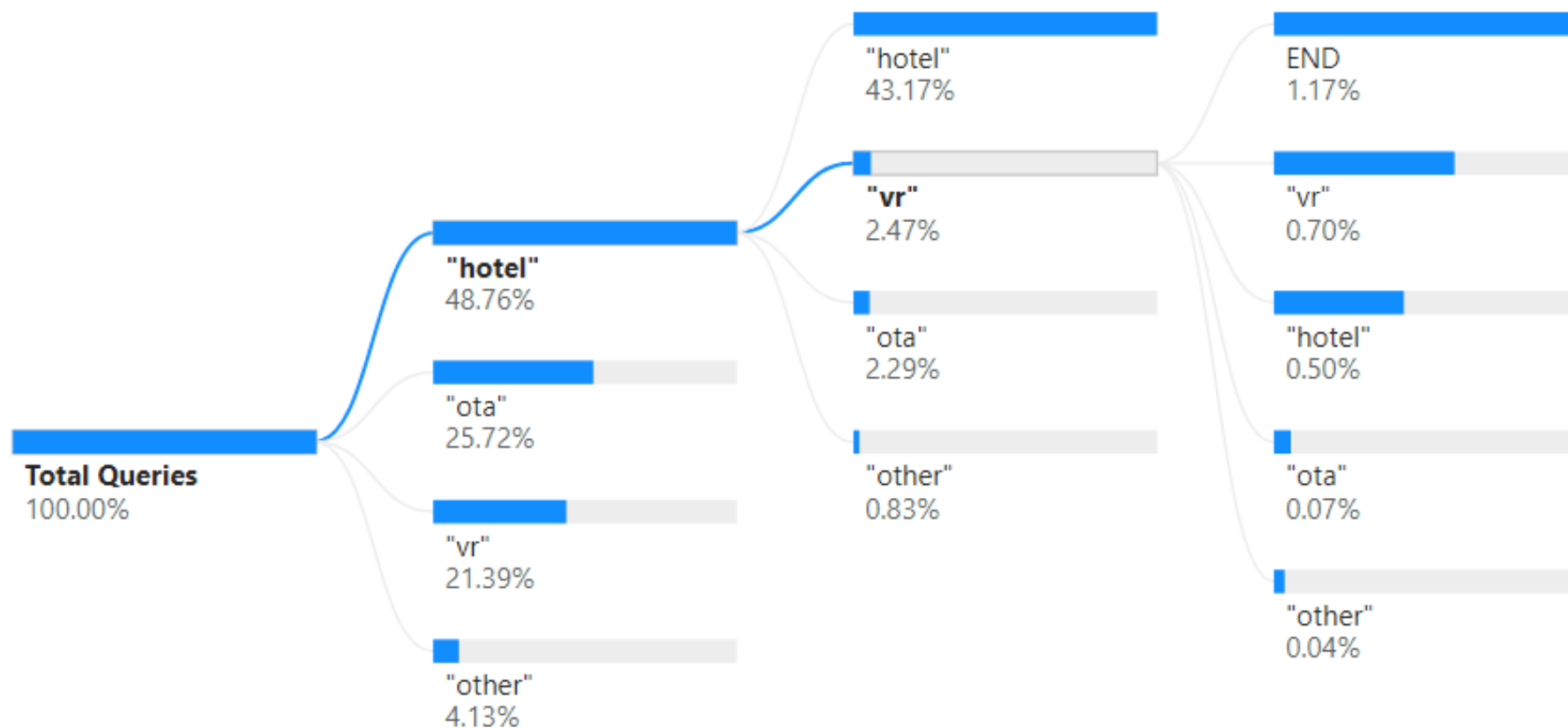
Search sequence probabilities

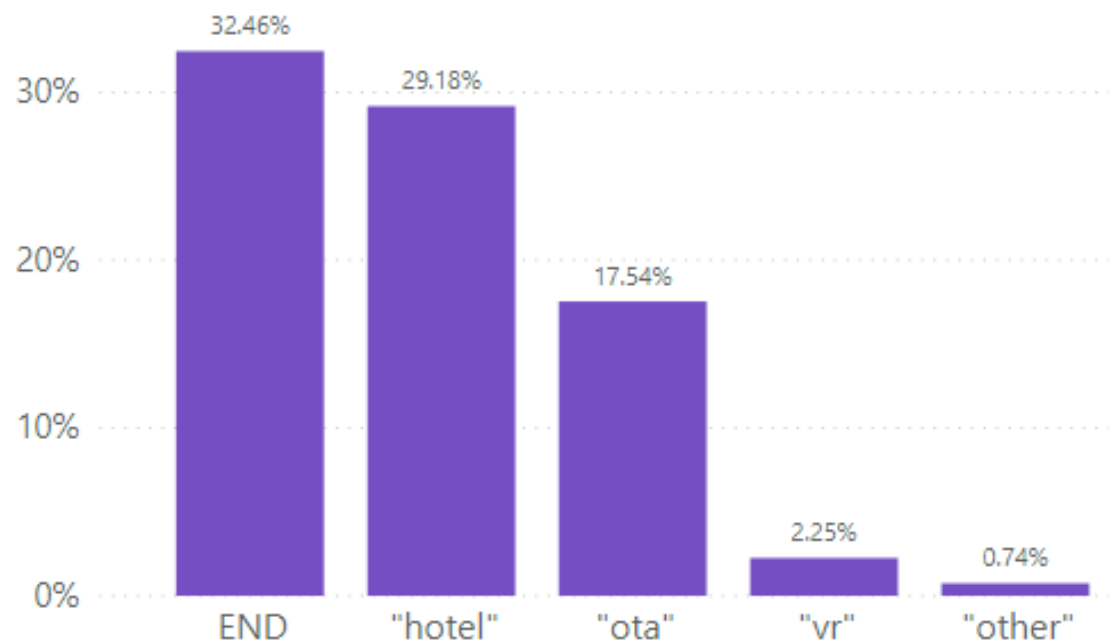When a user searches for a Hotel and then a Vacation Rental, here are the probabilities of the next search…

When a user searches for a Vacation Rental and then a Hotel, here are the probabilities of the next search…
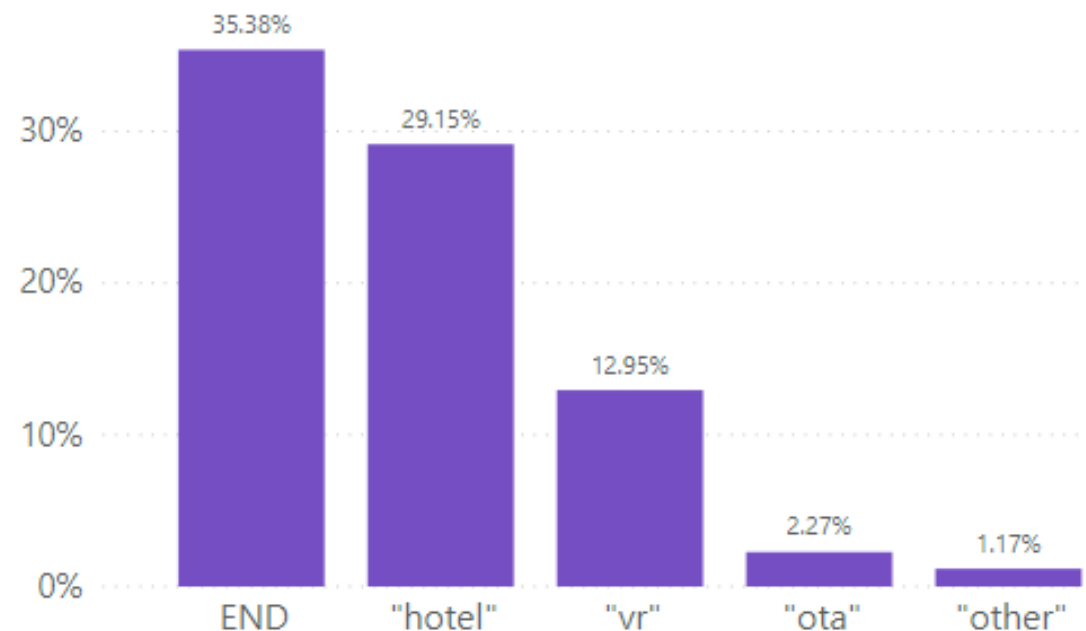
Getting a user to change course on the accommodation type in which they are interested will most often end the path outright, or they will at least retain that direction

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Search sequence probabilities

When a user searches for an online travel agency (OTA) and then a Hotel, here are the probabilities of the next search...

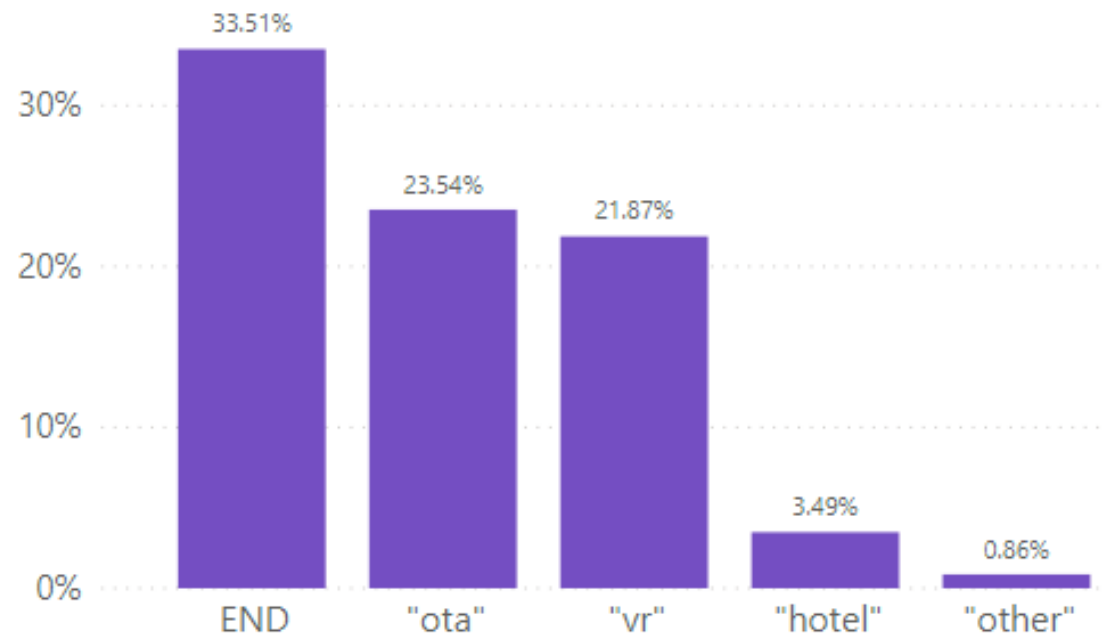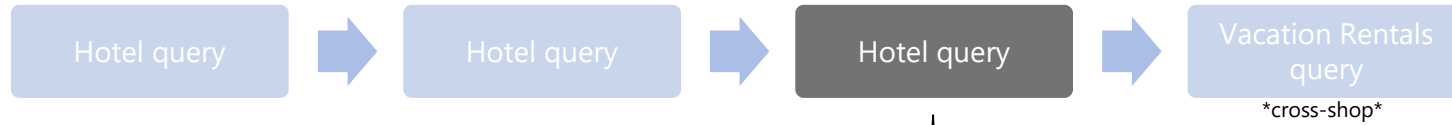When a user searches for an OTA and then a Vacation Rental, here are the probabilities of the next search...

Hotel searches stick slightly better than Vacation Rentals when a user switches from a preceding OTA query, but both have substantial probabilities

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Pre-switch indicators

Hotel query ➡ Hotel query ➡ **Hotel query** ➡ Vacation Rentals query

cross-shop

- Convenience is a priority, as we see with "-friendly hotels," so highlighting amenities and allowances is important
- Destinations are prevalent in pre-switch queries
- Boutique hotels are searched, a signal from some users they are interested in a slightly different experience

Bigrams most commonly occuring one query away from a cross-shopping instance

Bar chart with x-axis categories: friendly hotels, inn express, las vegas, garden inn, hilton head, san diego, inn suites, pigeon forge, golf resort, mountain lodge, beach fl, pet friendly, florida hotels, star hotels, beach resort, beach florida, national park, boutique hotel, nc hotels, gatlinburg tn. Y-axis from 0 to 200.

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Pre-switch indicators

Vacation Rentals query	→	Vacation Rentals query	→	Vacation Rentals query	→	Hotels query

cross-shop

- Unique lodging types are of interest prior to a cross-shop – "cabin," "cottage"
- Appended destinations are prevalent in Vacation Rental-to-Hotel scenarios as well
- Vacation Rental brand queries are still dominant even one step away from a cross-shop

Bigrams most commonly occuring one query away from a cross-shopping instance
Vacation Rentals

Bar chart categories (left to right): cabin rentals, vacation rentals, holiday cottages, vacation homes, holiday homes, beach florida, home rentals, vacation home, pigeon forge, beach fl, florida vacation, north carolina, forge tn, house rentals, mountain cabin, beach vrbo, pet friendly, vrbo rentals, palm springs, air bnb

Source: Microsoft Advertising internal data; search query path aggregation; Sep-Nov 2020

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Audience overlap

In-market Audience overlap

Users belonging to the /Hotels & Accommodations/Hotels audience are also in-market for...
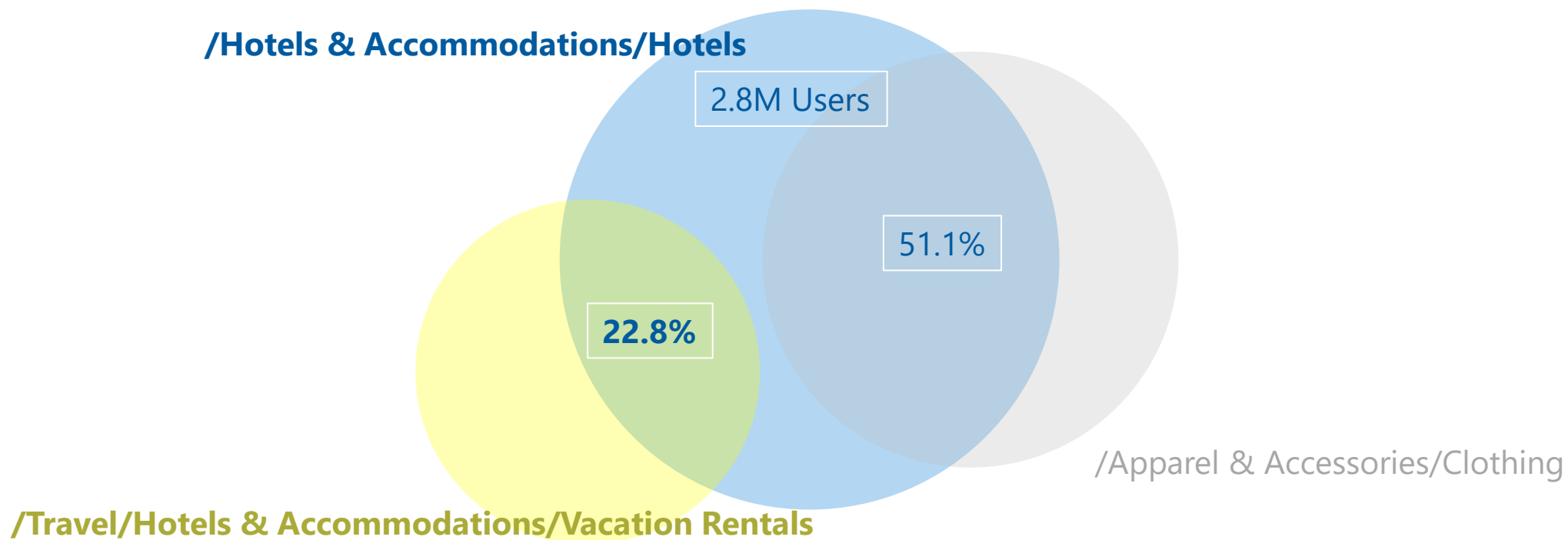
/Hotels & Accommodations/Hotels

2.8M Users

51.1%

22.8%

/Apparel & Accessories/Clothing

/Travel/Hotels & Accommodations/Vacation Rentals

Source: Bing Ads Internal Data; /Travel/Hotels & Accommodations/Hotels 2.84M user base audience, /Travel/Hotels & Accommodations/Vacation Rentals 3.77M user base audience; Nov 2020

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CROSS-SHOPPING

In-market Audience overlap

Users belonging to the /Hotels & Accommodations/Vacation Rentals audience are also in-market for...

/Travel/Hotels & Accommodations/Vacation Rentals

3.6M Users

45.5%

17.8%

/Hotels & Accommodations/Hotels

/Apparel & Accessories/Clothing

Source: Bing Ads Internal Data; /Travel/Hotels & Accommodations/Hotels 2.84M user base audience, /Travel/Hotels & Accommodations/Vacation Rentals 3.77M user base audience ; Nov 2020

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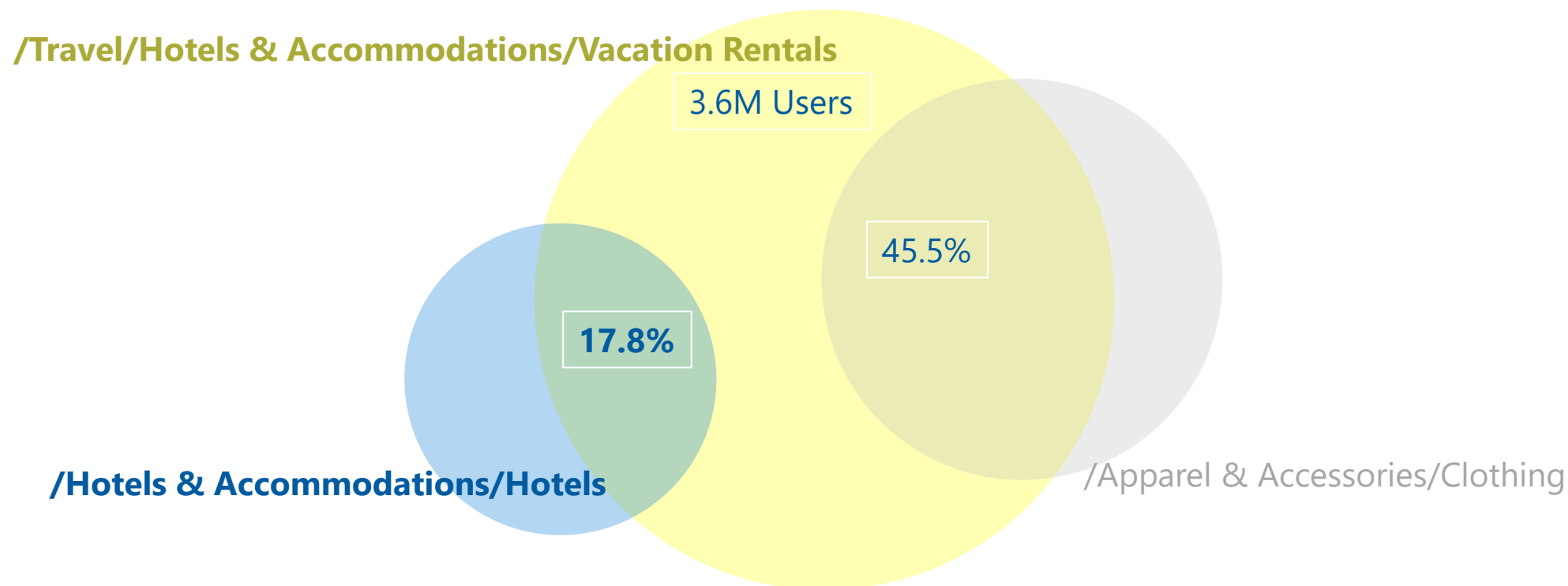
In-market Audience overlap

Base audience: Hotels

/Travel/Hotels & Accommodations/Hotels

Top overlap audience:

/Apparel & Accessories/Clothing	51.1%
/Apparel & Accessories/Handbags	49.9%
/Home & Garden/Kitchen & Dining	46.7%
/Hobbies & Leisure/Pets & Animals/Pet Food & Supplies	45.0%
/Home & Garden/Home Décor	44.3%
...	
/Travel/Hotels & Accommodations/Vacation Rentals	**22.8%**

Base audience: Vacation Rentals

/Travel/Hotels & Accommodations/Vacation Rentals

Top overlap audience:

/Apparel & Accessories/Clothing	45.5%
/Home & Garden/	45.4%
/Apparel & Accessories/Handbags	42.3%
/Home & Garden/Kitchen & Dining	40.4%
/Home & Garden/Home Furnishings	39.8%
...	
/Travel/Hotels & Accommodations/Hotels	**17.8%**

Source: Bing Ads Internal Data; /Travel/Hotels & Accommodations/Hotels 2.84M user base audience, /Travel/Hotels & Accommodations/Vacation Rentals 3.77M user base audience ; Nov 2020

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Key findings and recommendations

Travelers weigh their options

- Vacation Rentals are being searched in paths primarily made up of Hotels searches, and vice versa

- Non-Brand and Generic lodging queries and keywords present an opportunity to dictate a user's path

Common paths

- The most common sequences are searches for the same line of business start to finish

- A cross-shopping sequence from Vacation Rentals to Hotels has more instances than the inverse

Staying present in the journey

- Employ Microsoft Audience Network to stay on the travel shopper's mind

- Use thoughtful Remarketing strategies and bids to fend off conquesting

- Focus on non-brand, destination, & convenience which can be cross-shopping signals

Capturing travelers in-market for Lodging

- A substantial portion of the Hotel and Vacation Rentals in-market audiences overlap

- Other Travel and non-Travel In-market Audiences overlap with those specific to accommodations, and are worth targeting

Average booking value of audience list members increased

+15%

Alaska Airline's Increased ROAS by more than

20%

Alaska Airlines boosts paid search success & ROAS with Audience Targeting

What began 88 years ago as a small, regional airline, Alaska Airlines has evolved into an international carrier with more than 115 destinations and transporting more than 45 million customers annually. Guided by integrity, care, ingenuity, and professionalism, this Seattle-based company retains its hometown feel and has earned a loyal following of people who know there's something special about an airline that treats its customers as guests.

Stimulating demand with paid search

"A lot of people outside Seattle don't understand that we fly to more places than just Alaska," says Owen Bickford, Paid Search Program Manager. So, he uses paid search to educate people in different regions who may be searching for flights between Los Angeles and New York, for example, but may not know about Alaska Airlines. When an ad appears, it's an opportunity to inform prospective customers on where Alaska Airlines flies and the value they offer, stimulating demand.

Not only has paid search been a great way for the airline to capture demand, it's also helping them to generate demand.

As a result of the campaign, audience-generated ROAS increased by more than 20% year over year. Furthermore, the average booking value of audience list members increased by 15% YoY.

"I love PPC because it's attributable. Almost everything we do; we can prove the value it brings in actual revenue."

Owen Bickford,
Paid Search Program Manager, Alaska Airlines

Alaska
A I R L I N E S

Alaska Airlines Internal Data, 2020.

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VIEW THE CUSTOMER STORY

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