Microsoft Advertising Insights
2021 Easter Travel insights in Australia

1. Tourism industry outlook
2. Travel sentiment and intent
3. Audience search trends 2021
4. Trending destinations and activities 2021
5. Key takeaways

Microsoft Advertising. Intelligent connections.
Tourism industry outlook
At first bushfires, then COVID-19 - the Australian tourism industry has been severely disrupted

Government measures and Australia’s performance in containing the pandemic has put Tourism on the “Road to Recovery”
Early signs of tourism recovery are evident – with an upsurge in travel spend, domestic airline passengers and consumer confidence.

**Key drivers**

**Consumer sentiment:** Consumer confidence surpassed pre-COVID-19 levels in Feb 2021. Vaccinations should give confidence an additional boost.

**Tourism economy:** International border restrictions resulted in strong domestic tourism. A$4.3 billion was spent on domestic overnight travel in November 2020. (A$611/visitor)

**Government promoting local tourism:** Various campaigns from the state and federal government were run to promote local tourism: #Holidayherethisyear, Gift of Travel, etc.

**Trends in domestic travel spend and aviation passengers**

Data Source: 1 ANZ-Roy Morgan Australian CC Monthly Ratings 1973-2021
2 National visitor survey November 2020, Tourism Research Australia
3 Domestic aviation activity Dec 2020, BITRE
4 Australians urged to give the gift of travel this holiday period | Minister for Trade, Tourism and Investment (trademinister.gov.au)
Travel sentiment and intent
Aussies are optimistic about travelling in coming months

- 56% of people are planning a trip in next 0-6 months
- 81% feel safe to travel within Australia
- 51% feel they really need a holiday
- 43% want to travel to meet family & friends

Data Source: Travel Sentiment Tracker, Market Output 3-8 Feb 2021, Tourism Australia
Short trips are crowd favourites

90% of domestic overnights trips are road trips \(^1\)

55% are comfortable taking short flights \(^2\)

53% are willing to travel intrastate and 33% interstate \(^3\)

Popularity of Regional destinations has shot up in pandemic, witnessing 3% uplift YoY in share \(^1\)

1 in 3 will spend more on short and frequent trips \(^2\)

Staycation searches increased 16% month over month (MoM) \(^4\)

Data Source:
1 National visitor survey Year ended September 2020, Tourism Research Australia
2 Travel and the Australian way insights from Kantar and Nine
3 Household Impact of Covid-19 survey, October 2020, ABS
4 Similar web, Keyword research Feb 2021
Audience search trends 2021
Easter searches are increasing steadily

January 2021 travel searches grew by 9% MoM²

Tip: 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.

Indexed search volume for Travel

COVID-19 shutdown - March 2020

2021*
2019
2020

Jan Feb Mar Apr May

Searches with keywords “easter break” and “easter holidays 2021” witnessed 380% and 125% uplift respectively¹

Data Source:
*Feb – May 2021 search data has been forecasted based on historical data.
1 Similar Web, Keyword Research Feb 2021
2 Microsoft internal data, Bing Ads, Dec 2020 vs. Jan 2021
Accommodation & Tourist Attractions and Destinations are the most searched categories

Click volume distribution by Travel category (Click volume index averaged for Dec – Jan 2021)

Accommodation: 49%
Tourist Attractions & Destinations: 15%
Travel Booking Services: 12%
Air Travel: 12%
Transportation & Excursions: 6%
Others: 6%

Tip: Use In-market Audiences to engage people who are active in searching related products

1 in 2 clicks in the travel category is for Accommodations
A high volume of generic queries is an opportunity for advertisers to target the travel audience in the early stages of their travel planning*

**Search volume query type**

- 54% Brand
- 46% Generic

**TIP:** Ensure visibility on generic keywords and build and uplift your Broad Match Modifier keywords

*Air Travel and Cruise are more brand heavy categories when compared to Accommodation and Car Rentals

Data Source: Microsoft internal data, 2020
Booking windows have shortened

67% of Australian travelers planning a 2021 domestic vacation have yet to book

Data Source: The Year of the Travel Rebound: 5 Traveller Trends to Watch Out for in 2021, Trip Advisor
Emerging Travel behaviour

**Shorter booking lead times**
Travelers book 7-30 days before to avoid the risk of travel policy changes that would prevent travel.

**Short-haul**
Choosing shorter-haul flights to reduce the perceived health risk of flying.

**Fly + drive**
Combining flights with driving to reduce the perceived risk of certain regions.

**Last minute**
Booking accommodation at the last minute to mitigate the risk of losing money on cancellations.

Data Source: Visit the New World of Travel, SkyScanner
Easter travelers keep searching until the last minute, so ensure your ad budgets cover last minute traffic

“1 in 3 Australians will take a last-minute approach to booking”

“38% will plan some aspects but be flexible on details”

Tip:
Ensure your budgets cover last minute searches

Indexed search volume by week

COVID-19 shutdown March 2020

Data Source: 1 Microsoft internal data, 2019/1 – 2020/04
2 Travel and the Australian way insights from Kantar and Nine
Last-minute terms are on an upswing, increase your bids from five weeks before Easter through Easter week.

MoM click uplift on ‘last minute’ terms (Jan-21 over last 2-months’ average)

- Last minute accommodation + 32%
- Last minute deals +90%
- Last minute* +98%

Data Source: * Forecasted data from 5th week of 2021 to Easter week, based on historical data Microsoft internal data, 2020/1 – 2021/01
Take advantage of growing user engagement and cost efficiency

CTR = click through rate
CPC = cost per click

CTRs are catching up with pre-COVID-19 levels

CPCs have yet to catch up

Data Source: Microsoft internal data, 2019/1 – 2021/02
Trending destinations and activities – 2021
Search uplift across subcategories indicates a high interest in outdoor activities and beach vacations for Easter.
The top 10 searched domestic destinations are mostly the same as last year. Queensland, Uluru and Hamilton Islands have gained popularity.

<table>
<thead>
<tr>
<th>Top 10 Travel destinations January-February 2020</th>
<th>Top 10 Travel destinations January-February 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Melbourne</td>
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</tr>
<tr>
<td>Sydney</td>
<td>Perth</td>
</tr>
<tr>
<td>Brisbane</td>
<td>Sydney</td>
</tr>
<tr>
<td>Lord Howe Island</td>
<td>Brisbane</td>
</tr>
<tr>
<td>Adelaide</td>
<td>Hamilton Island</td>
</tr>
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<tr>
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<td>Tasmania</td>
</tr>
<tr>
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</tbody>
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Tip: Invest in upper funnel key destination terms to capture research and consideration queries.
Most clicked domestic destinations on the Microsoft Search Network

Based on average click volumes in Jan-Feb 2021

Tip: Use Dynamic Search Ads as a 'catch all strategy' to capture emerging travel queries

“Coastal destinations and bustling city locations emerged as top 50 focus destinations”\(^1\)

Data Source: Microsoft internal data, 2021/1 – 2021/02
## Trending research terms this year

<table>
<thead>
<tr>
<th>Top research terms</th>
<th>MoM* change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Things to do + [Location]</td>
<td>Up to 200%</td>
</tr>
<tr>
<td>2 What to do+ [Location]</td>
<td>29%</td>
</tr>
<tr>
<td>3 Best place to visit *</td>
<td>112%</td>
</tr>
<tr>
<td>4 Covid safe activities</td>
<td>64%</td>
</tr>
<tr>
<td>5 Outdoor activities</td>
<td>20%</td>
</tr>
<tr>
<td>6 Adventure activities</td>
<td>130%</td>
</tr>
</tbody>
</table>

*MoM = month over month

**Tip:** Focus on these terms will help you capture your travellers’ attention

*Data Source: Similar web, Keyword research, 2021/2*
The Australian tourism industry is on the road to recovery.

Consumers have a strong desire to travel. Travel searches have uplifted 9% MoM. Interest in outdoor and beach activities have grown significantly.

Accommodations and Tourist Attraction & Destinations are the most searched categories. They are responsible for over 64% of travel clicks on the Microsoft Search Network.

Booking windows have shortened. Last minute deals and accommodation terms have spiked 90% and 32% respectively, in January 2021 compared to the previous month.

Advertisers should invest in upper funnel keywords to capture research and consideration queries of users planning travel this Easter.
Key takeaways

**Fine-tune your focus**

- Combine top destinations with location targeting to specify your target region by post code. Re-activate campaigns for destinations no longer discouraged.
- Employ the Microsoft Audience Network to stay on the travel shopper’s mind.
- Take advantage of high customer engagement and lower costs to market cost effectively.

**Resonate with travelers**

- Use Broad match and Dynamic Search Ads to cover top destination terms and experience terms.
- Use Responsive Search Ads to adjust to changing consumer preferences.
- Implement Remarketing for recent users researching holidays and trips (1-30 days).

**Ride with the trend**

- It’s time to engage with Easter travellers.
- Plan sufficient budget throughout the search window.
- Ensure visibility on generic keywords.

Microsoft Internal Data
To get actionable data, insights and best practices to help make decisions and grow your business, visit MicrosoftAdvertising.com/Insights