



Microsoft Advertising Insights 2021 Easter Travel insights in Australia

Microsoft Advertising. Intelligent connections.

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Tourism industry outlook





At first bushfires, then COVID-19 - the Australian tourism industry has been severely disrupted

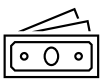
Government measures and Australia's performance in containing the pandemic has put Tourism on the "Road to Recovery"

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 2021.¹ Vaccinations should give confidence an additional boost.

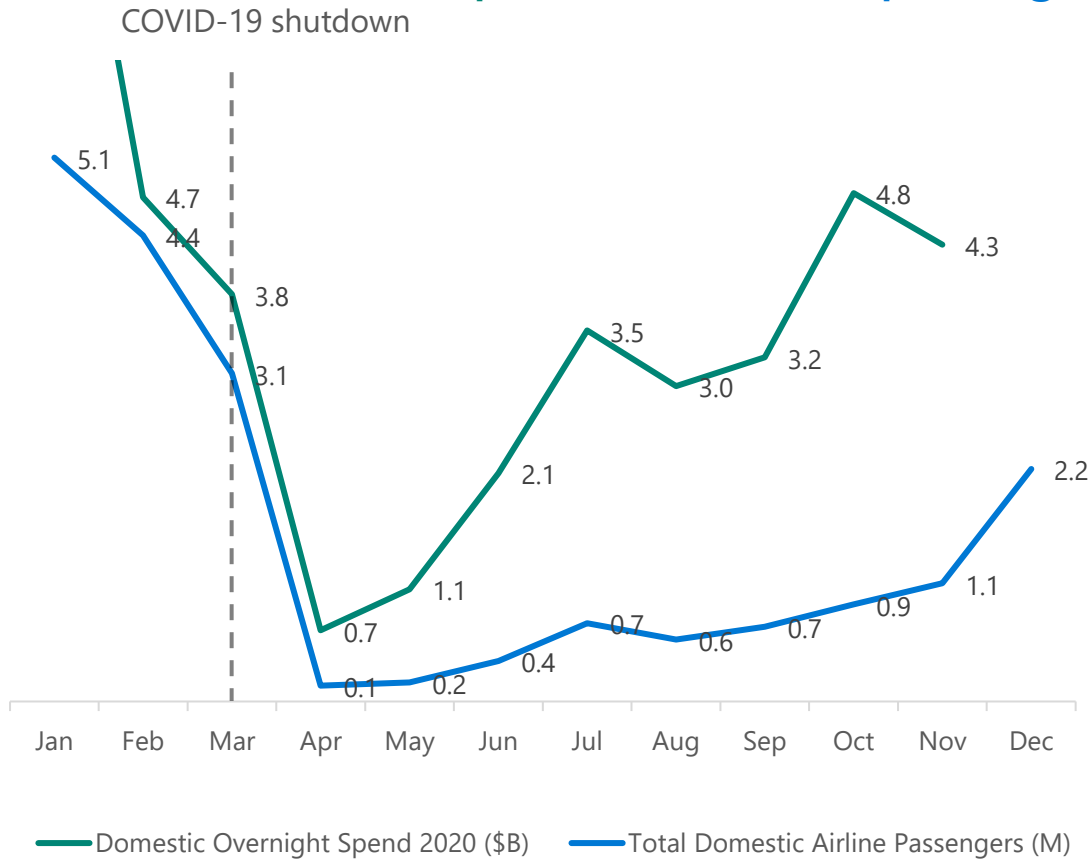


Tourism economy: International border restrictions resulted in strong domestic tourism. A\$4.3 billion was spent on domestic overnight travel in November 2020.² (A\$611/visitor)



Government promoting local tourism: Various campaigns from the state and federal government were run to promote local tourism: #Holidayherethisyear, Gift of Travel, etc.⁴

Trends in domestic travel spend and aviation passengers³



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

Short trips are crowd favourites



90% of domestic overnights trips are road trips ¹

55% are comfortable taking short flights²



53% are willing to travel intrastate and **33%** interstate³



Popularity of **Regional destinations** has shot up in pandemic, witnessing 3% uplift YoY in share¹



1 in 3 will spend more on short and frequent trips²

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

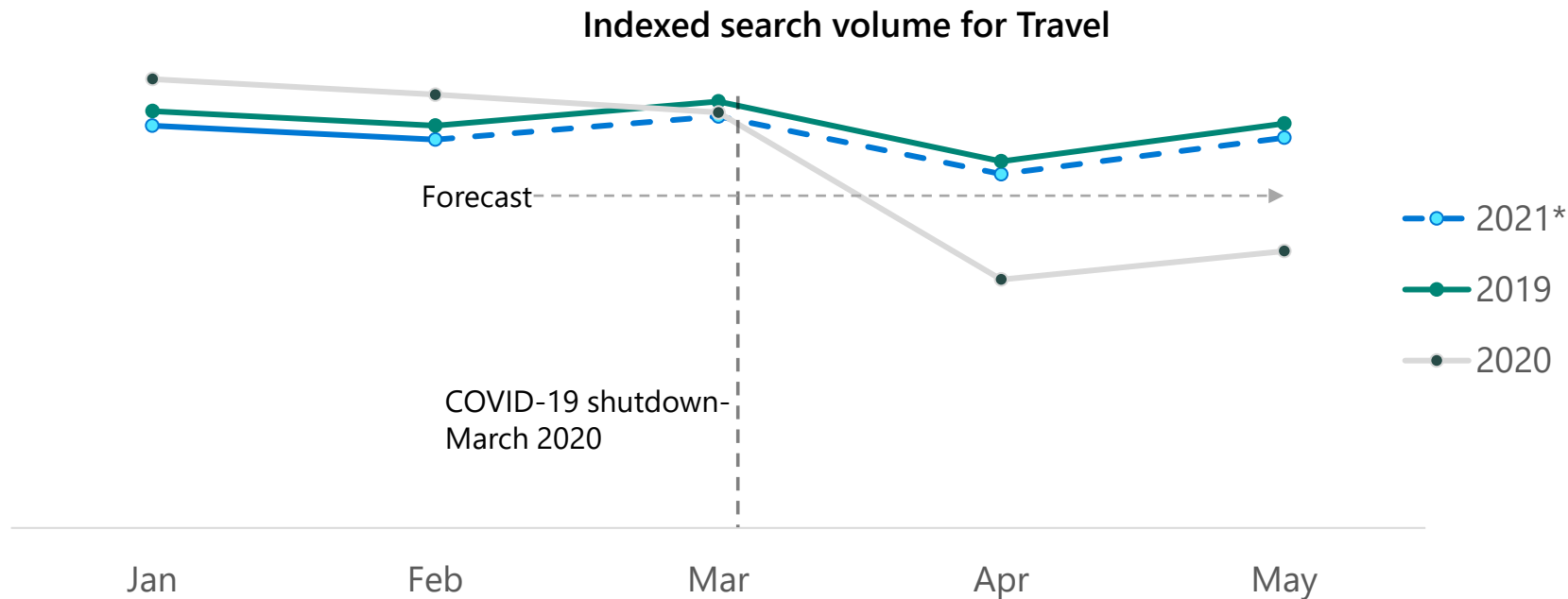
⁴ Similar web, Keyword research Feb 2021

Audience search trends 2021



Easter searches are increasing steadily

January 2021 **travel searches** grew by 9% MoM²



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



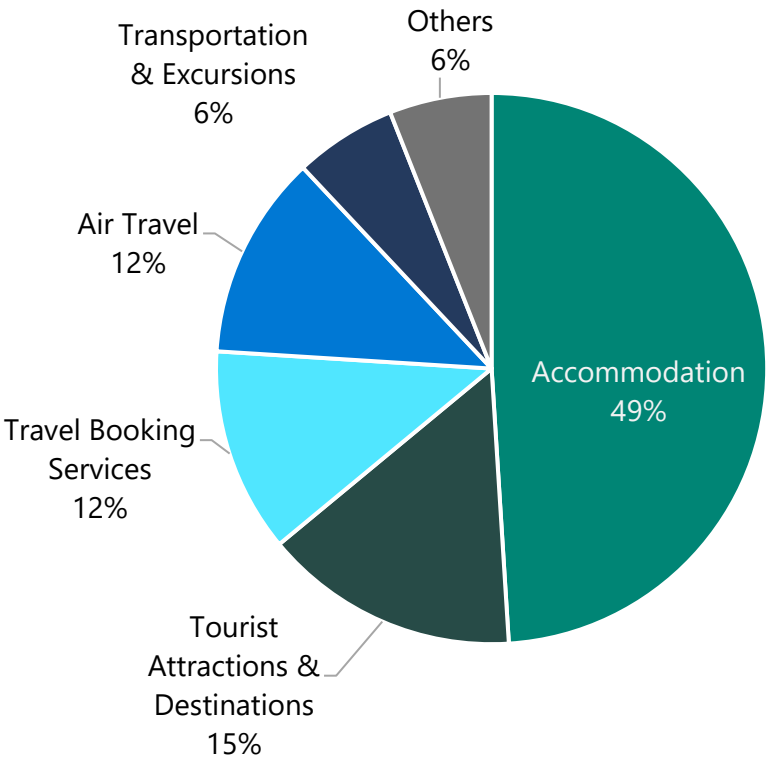
Searches with keywords “easter break” and “easter holidays 2021” witnessed **380%** and **125%** uplift respectively¹

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

Accommodation & Tourist Attractions and Destinations are the most searched categories

Click volume distribution by Travel category
(Click volume index averaged for Dec –Jan 2021)¹



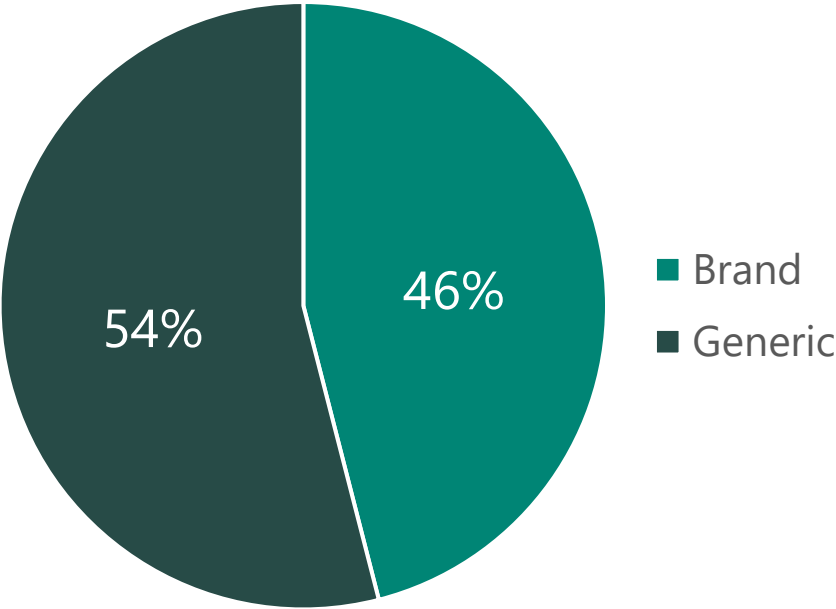
1 in 2 clicks in the travel category is for Accommodations

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

Data Source :
¹ Microsoft internal data, 2020/12-2021/1
² Microsoft Shopping Insights – Cross shopping for Hotels and Vacation Rentals

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



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**



Booking windows have shortened

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

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



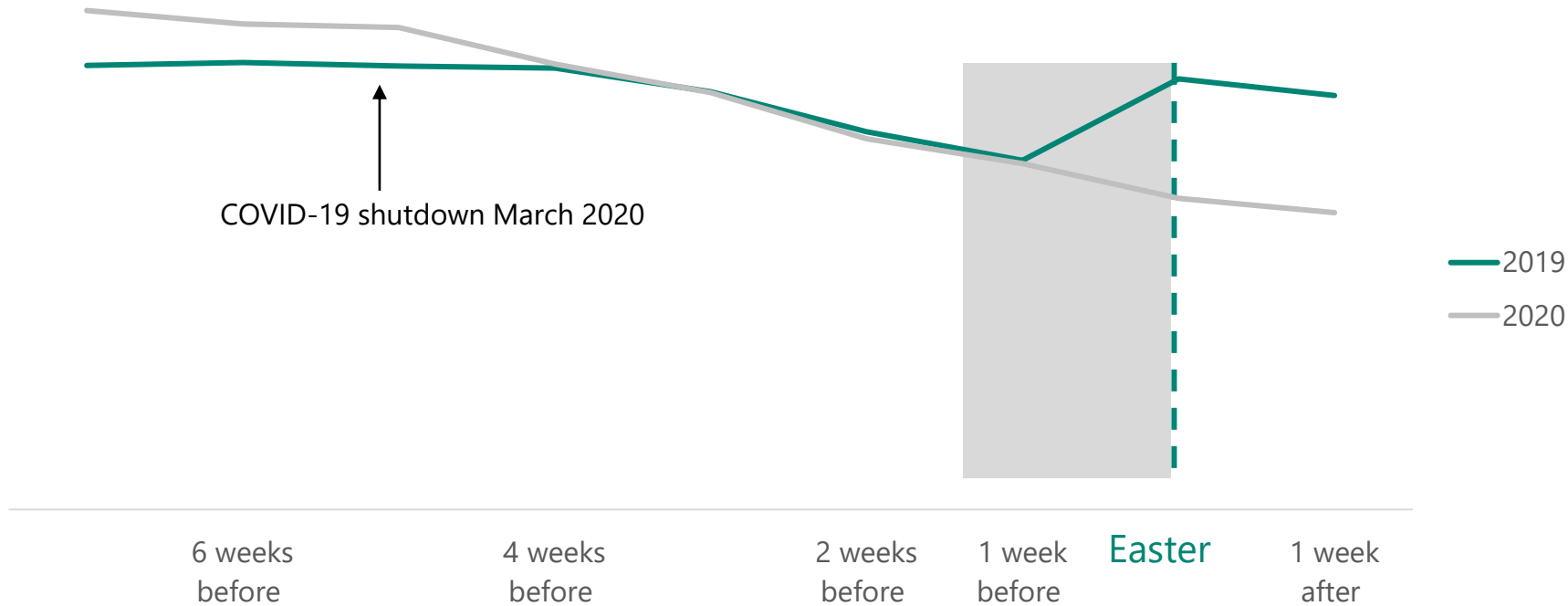
Last minute

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

Easter travelers keep searching until the last minute, so ensure your ad budgets cover last minute traffic



Indexed search volume by week¹



"1 in 3 Australians will take a last-minute approach to booking"²

"38% will plan some aspects but be flexible on details"²

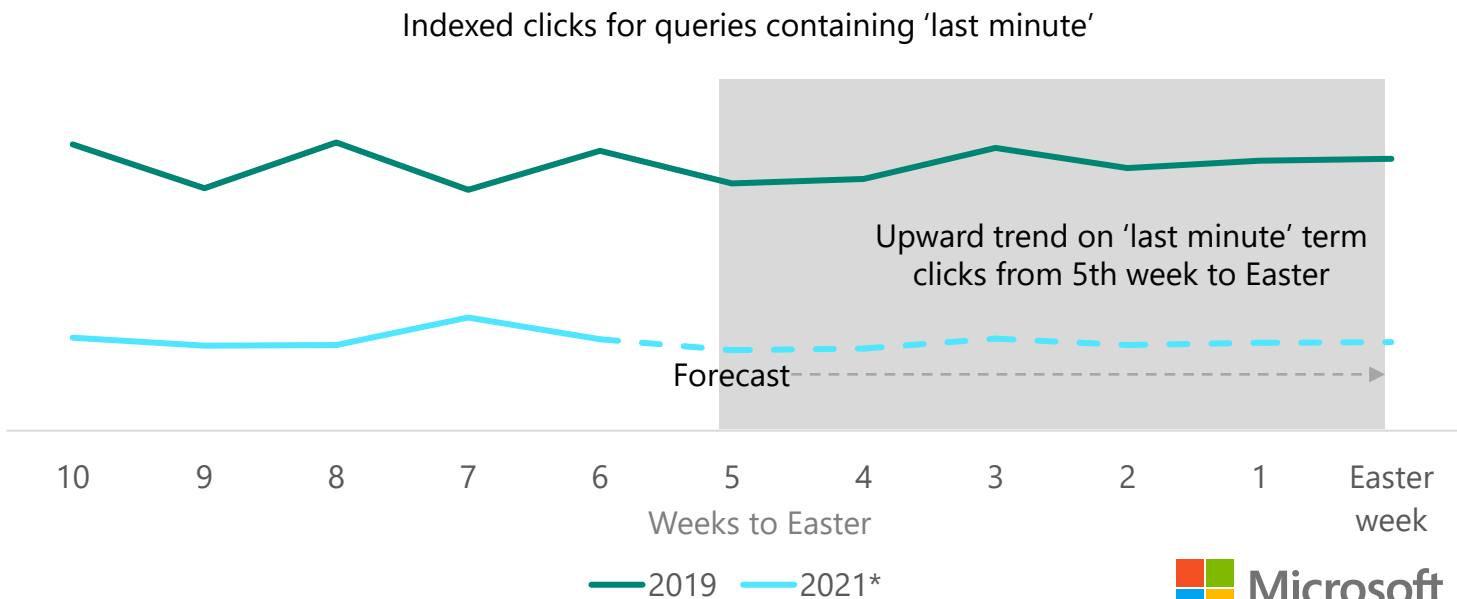
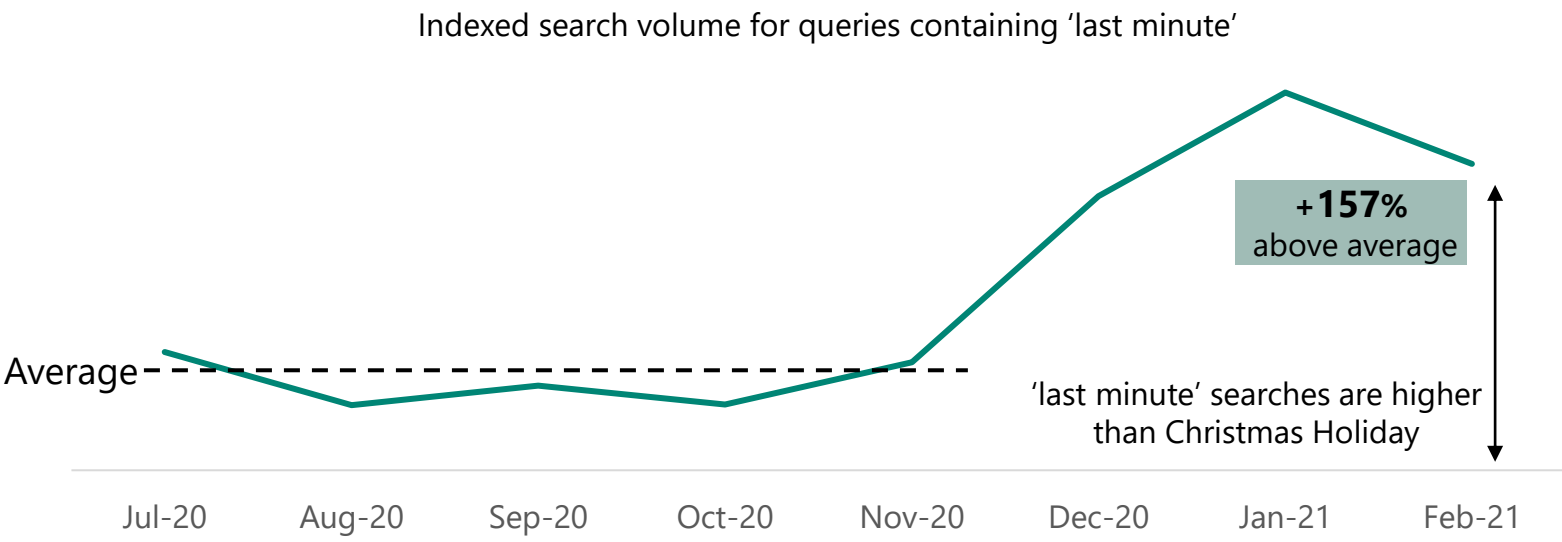
Tip:
Ensure your budgets cover last minute searches

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%

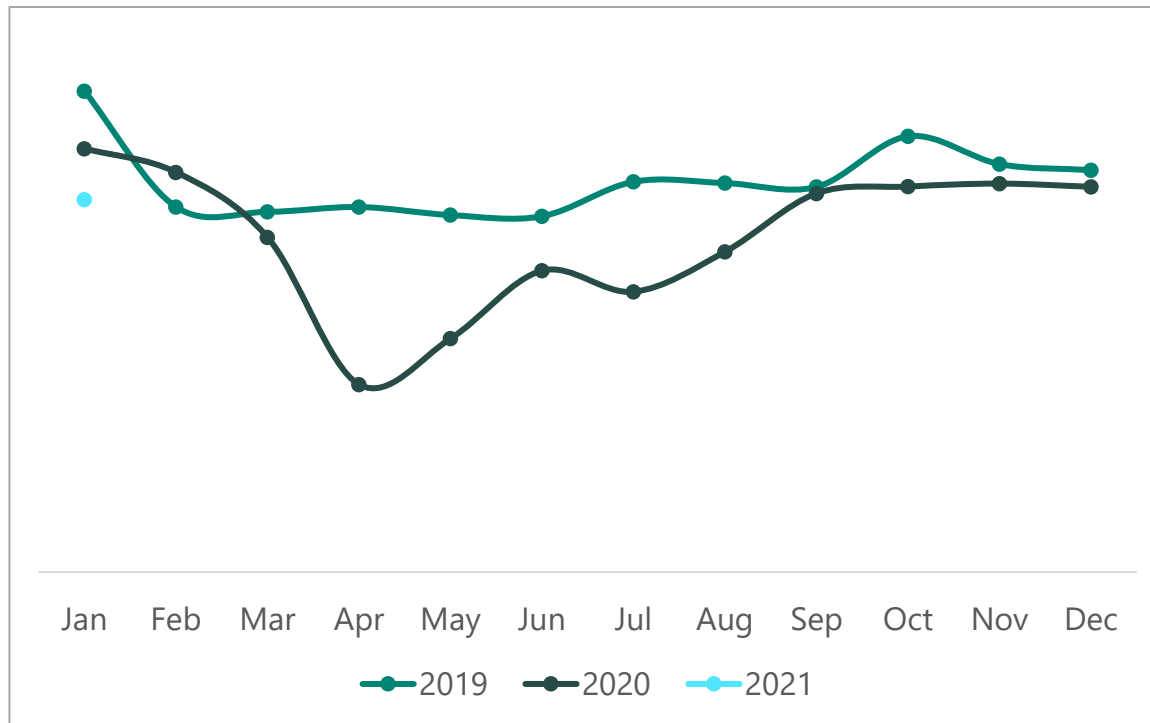
Data Source:
* Forecasted data from 5th week of 2021 to Easter week, based on historical data
Microsoft internal data, 2020/1 – 2021/01



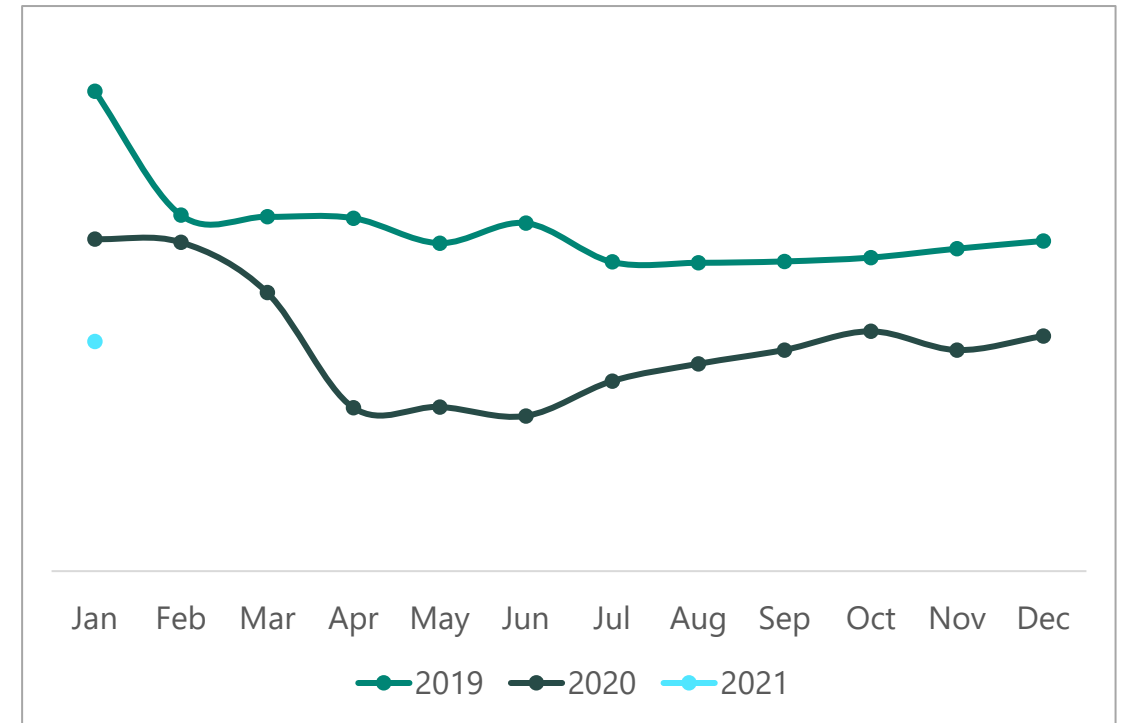
Take advantage of growing user engagement and cost efficiency

CTR= click through rate
CPC= cost per click

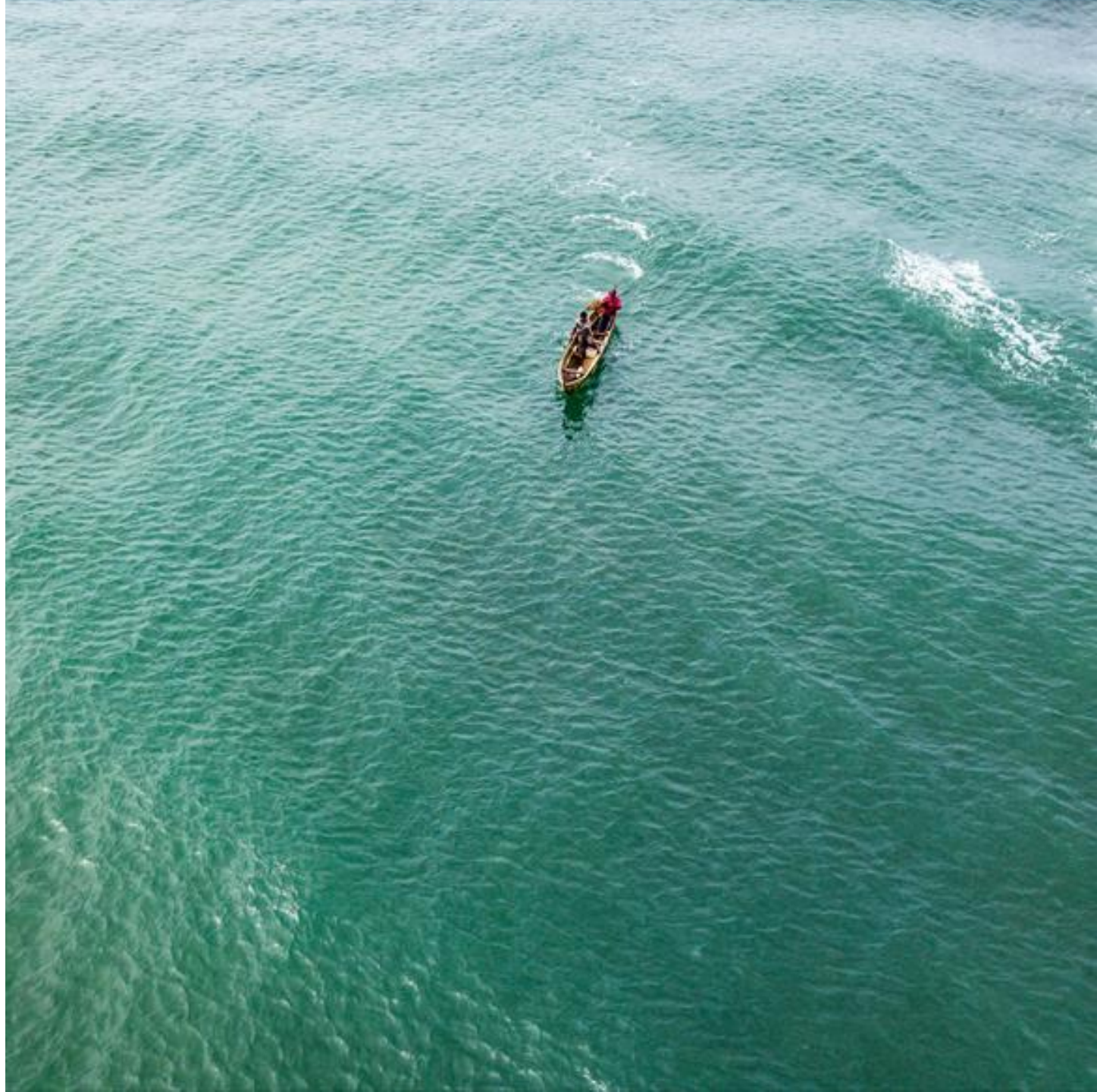
CTRs are catching up with pre-COVID-19 levels



CPCs have yet to catch up

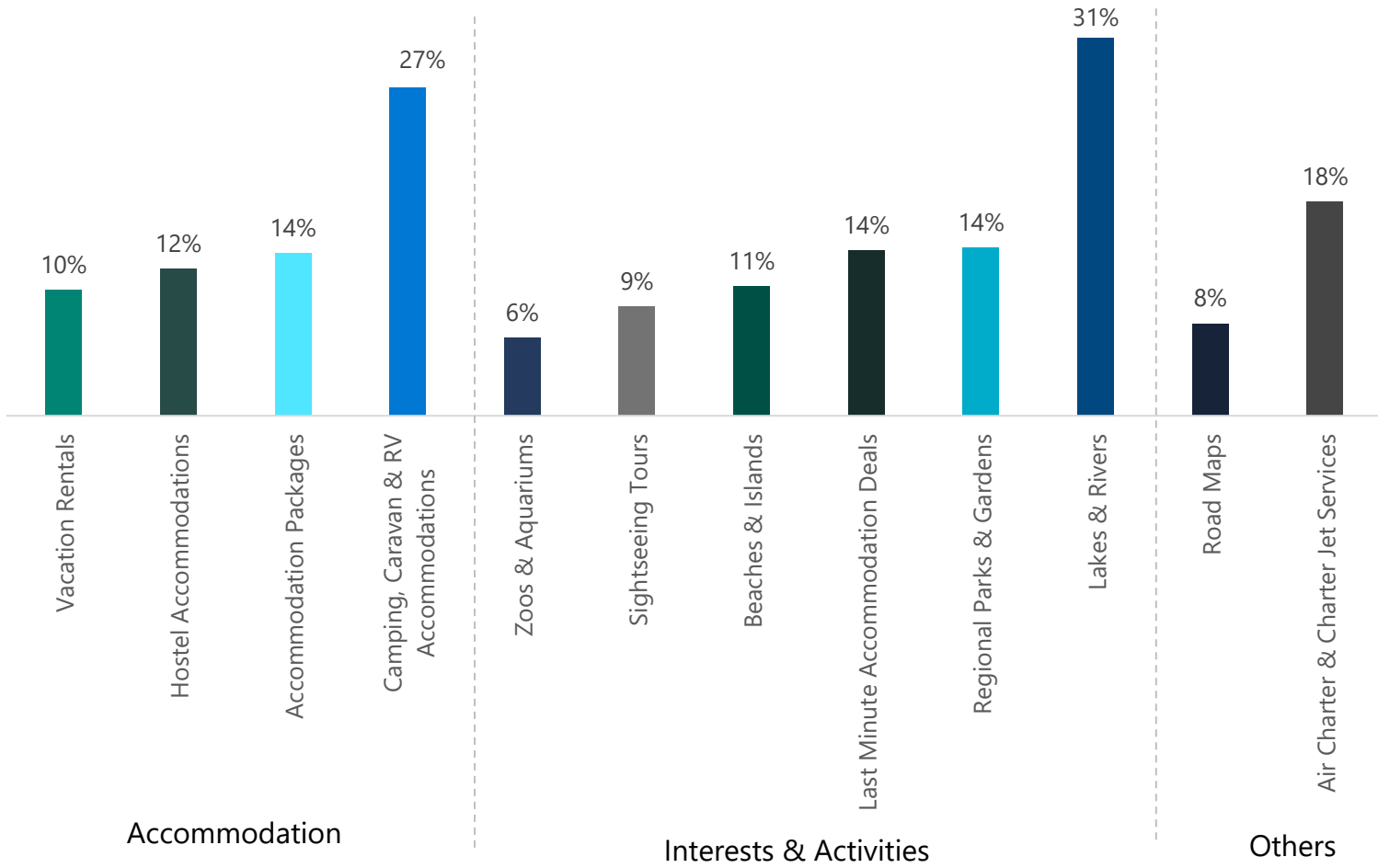


Trending destinations and activities – 2021



Search uplift across subcategories indicates a high interest in outdoor activities and beach vacations for Easter

Top travel subcategory clicks
(Jan 2021 uplift vs. the last 2-month average in 2020)



Tip: Leverage [Responsive Search Ads](#) to capture changing consumer preferences





The top 10 searched domestic destinations are mostly the same as last year. Queensland, Uluru and Hamilton Islands have gained popularity.

Top 10 Travel destinations January-February 2020
Melbourne
Sydney
Brisbane
Lord Howe Island
Adelaide
Seville
Perth
Kangaroo Island
Canberra
Tasmania

Top 10 Travel destinations January-February 2021
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Adelaide
Tasmania
Uluru
Queensland
Lord Howe Island

Tip: Invest in upper funnel key destination terms to capture research and consideration queries

Most clicked domestic destinations on the Microsoft Search Network



"Coastal destinations and bustling city locations emerged as top 50 focus destinations"¹

Tip:

Use [Dynamic Search Ads](#) as a 'catch all strategy' to capture emerging travel queries



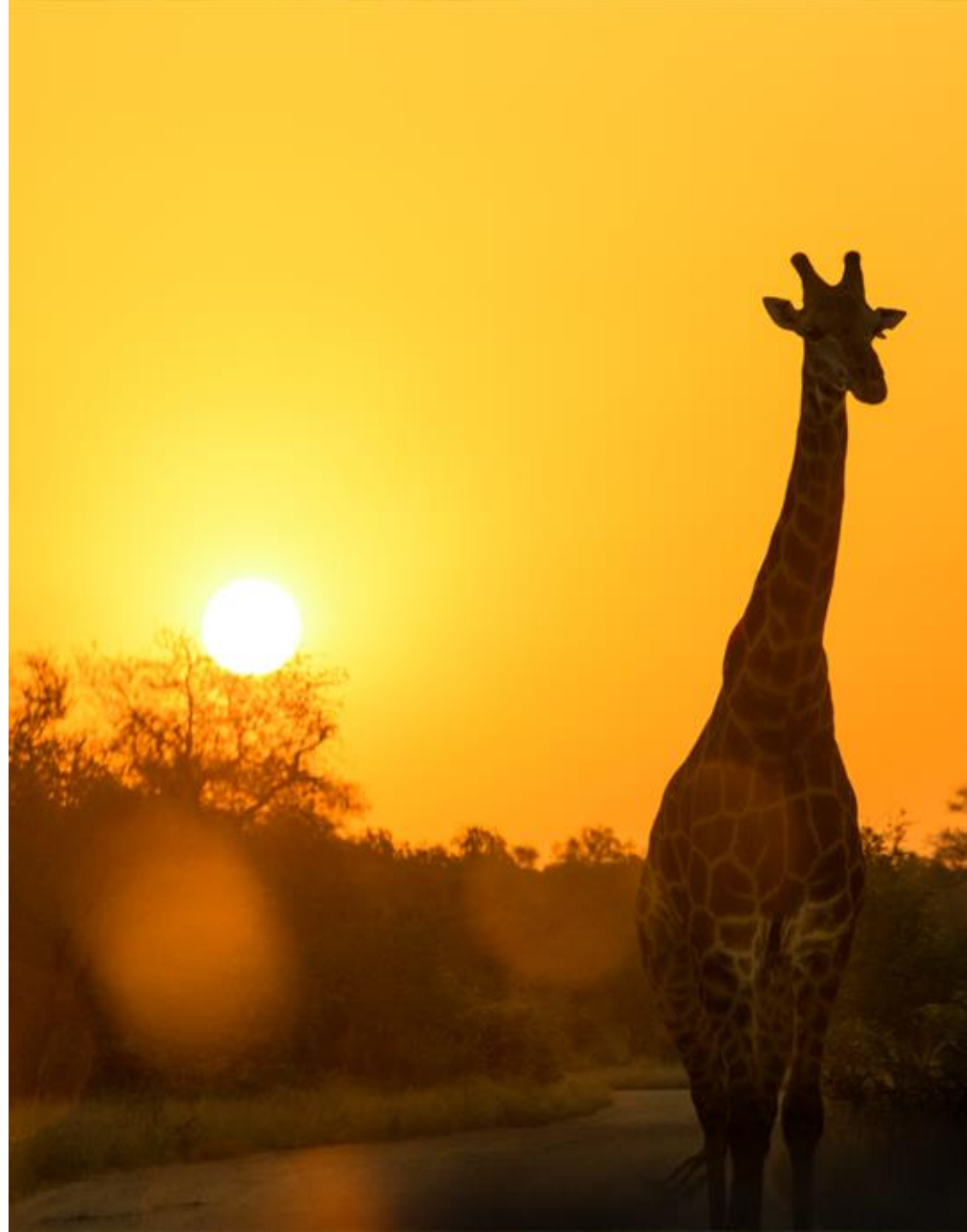
Based on average click volumes in Jan-Feb 2021

Trending research terms this year

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

*MoM = month over month

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



Summary

- **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

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