Microsoft Advertising Insights

The rise of sustainable travel in Europe
Agenda

1. Off-setting the environmental impact of the Travel industry
2. How COVID-19 is raising travellers’ awareness over sustainability
3. The latest from Microsoft Advertising
Off-setting the environmental impact of the Travel industry

“Like the re-imagining of health care, infrastructure, and workplaces to accommodate this pandemic... so too can the travel and tourism infrastructure use this crisis to build back with climate change, sustainability and social responsibility in mind.”

Karen Rubin
Travel Features Syndicate
Tourism previously accounted for 8% of the world’s carbon emissions, but has been on the decline due to restrictions in Travel from COVID-19.

**Percentage decrease in carbon emissions year over year (YoY) 2019 - 2020**

- Ground Transport (-18.6% YoY)
- Residential (-2.2% YoY)
- Domestic aviation (-35.8% YoY)
- International aviation (-52.4% YoY)


Source: Nature Climate Change, “The carbon footprint of global tourism”, 2018
People are looking for opportunities to travel in a sustainable way, especially **Gen Z**

Worldwide travelers opinions on whether environmentally friendly travel option is important – by generation (Jan 2020)

<table>
<thead>
<tr>
<th></th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>48%</td>
<td>40%</td>
<td>12%</td>
</tr>
<tr>
<td>Baby boomers (55-75)</td>
<td>46%</td>
<td>42%</td>
<td>12%</td>
</tr>
<tr>
<td>Gen X (40-54)</td>
<td>49%</td>
<td>41%</td>
<td>10%</td>
</tr>
<tr>
<td>Millennials (25-39)</td>
<td>51%</td>
<td>36%</td>
<td>13%</td>
</tr>
<tr>
<td>Gen Z (&lt;24)</td>
<td>56%</td>
<td>26%</td>
<td>18%</td>
</tr>
</tbody>
</table>

Source: STR, Feb 2020 survey on respondents from UK, US, France, Norway, Italy, Mexico, Spain, Australia, Argentina
Consumers are becoming more particular about wanting to travel sustainably

Only **15%** of consumers say carbon off-setting is NOT a useful initiative

Approximately **50%** of consumers believe cruise lines, hotels, airlines, and other tourism companies are making progress but “could be doing more” to make their business more sustainable

**37%** of people are willing to pay more to stay in a hotel that is environmentally-friendly

Source: STR, Feb 2020 survey on respondents from UK, US, France, Norway, Italy, Mexico, Spain, Australia, Argentina
How COVID-19 is raising travellers’ awareness over sustainability

“Sustainable travel has been on the rise for years now. Not only is a global pandemic unlikely to change that—it could even make traveling sustainably seem more important than ever.”

Shannon McMahon
Editor - SmarterTravel.com
Within the next two years, we should see domestic travel pick-up speed

In the next two years, compared to my normal travel habits, I am...

(Survey taken in Oct 2020)

Source: STR, “Tourism After Lockdown: Taking the Pulse of Travel”, October 2020
COVID-19 has shifted priorities around consumers’ travel needs

Propensity to travel and key holiday motivators (Pre vs. Post March 2020)

- Value for money: Pre-March 2020 = 11%, Post-March 2020 = 10%
- Food and drinks at destination: Pre-March 2020 = 10%, Post-March 2020 = 6%
- Climate and weather: Pre-March 2020 = 4%, Post-March 2020 = 4%
- Friends and family wanting to visit destination: Pre-March 2020 = 3%, Post-March 2020 = 0%
- History, heritage and culture of destination: Pre-March 2020 = -2%, Post-March 2020 = -10%
- Access to nature: Pre-March 2020 = -3%, Post-March 2020 = -10%
- Visiting friends and family: Pre-March 2020 = -1%, Post-March 2020 = -10%

The majority of global travellers see positive impact of sustainable travel and expect the industry to adapt.

% of global travellers that want to travel more sustainably in the future:

- 53% Agree
- 47% Diagree

% of global travellers expecting the travel industry to offer more sustainable travel options:

- 69% Agree
- 31% Diagree

Source: Booking.com, "Impact awakening: the rise of responsible travel", published research, July 2020
What will travellers consider when choosing their next sustainable holiday?

1. Social Distancing
   - Avoid overly busy attractions: 63%
   - Prefer alternative destinations to help prevent overcrowding: 36%
   - Looking for Off-Season Travel Packages: 51%

2. Environment
   - Reduce waste and recycle plastic when travelling: 53%

3. Supporting Locals
   - Want their travel choices to support the recovery of destinations they visit: 67%
   - Want to see how their spending will go back into supporting the local community: 55%

Source: Booking.com, "Impact awakening: the rise of responsible travel", published research, July 2020
### Zero-waste travel: tips from the experts

What actions can travellers take to travel sustainably?

<table>
<thead>
<tr>
<th>Planning &amp; Booking</th>
<th>Packing for the Trip</th>
<th>Reducing waste in transit</th>
<th>Reducing waste at destination</th>
</tr>
</thead>
<tbody>
<tr>
<td>Visiting destinations committed to reducing waste</td>
<td>Packing their own headphones, eye-mask and blanket for flights to minimise in-flight waste</td>
<td>Reducing luggage's weight to minimize carbon footprint</td>
<td>Visiting farmers market and bulk stores</td>
</tr>
<tr>
<td>Choosing an airline that is committed to low-waste goals</td>
<td>Keeping a zero-waste kit in their hand luggage for easy access</td>
<td>Bringing a listening device or e-reader loaded with podcasts and e-books instead of purchasing magazines and books at the airport</td>
<td>Requesting upfront that their food, drinks or other purchases aren’t served with single-use plastic items</td>
</tr>
<tr>
<td>Resisting upgrading to business, which leaves a larger carbon footprint</td>
<td>Eliminating the need for batteries</td>
<td>Preferring trains and busses to taxis and car rentals</td>
<td>Being mindful of their water usage</td>
</tr>
<tr>
<td>Booking tours with companies committed to minimising their impact</td>
<td>Replacing their synthetic travel wardrobe with natural fiber</td>
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### Packing for the Trip

- Packing their own headphones, eye-mask and blanket for flights to minimise in-flight waste
- Keeping a zero-waste kit in their hand luggage for easy access
- Eliminating the need for batteries
- Replacing their synthetic travel wardrobe with natural fiber

### Reducing waste in transit

- Reducing luggage’s weight to minimize carbon footprint
- Bringing a listening device or e-reader loaded with podcasts and e-books instead of purchasing magazines and books at the airport
- Preferring trains and busses to taxis and car rentals

### Reducing waste at destination

- Visiting farmers markets and bulk stores
- Requesting upfront that their food, drinks or other purchases aren’t served with single-use plastic items
- Being mindful of their water usage
“Data shows that as economies have reopened and adapted following travel restrictions and lockdown measures to minimize the spread of the virus, consumers too have reemerged and reengaged with the tourism industry. Evidence suggests that tourism businesses have adapted well to maintain appeal and build confidence and trust.”

STR
Tourism After Lockdown
Travel search volume is not declining as much as expected

Weekly indexed travel search volume
(1st March - 30th Jan 2021)

Source: Microsoft Advertising Network O&O Internal Data, Jan 2019 - Nov 2020
# UK Top Travel Destinations YoY

## Top 10 Travel Destinations – Jan 2020

1. Scotland
2. London
3. New York
4. Wales
5. Florida
6. Spain
7. Manchester
8. Glasgow
9. Southampton
10. Cornwall

## Top 10 Travel Destinations – Jan 2021

1. Scotland
2. Wales
3. Cornwall
4. London
5. New York
6. Devon
7. England
8. Florida
9. Dubai
10. Spain
# Top 10 Travel Destinations

## Jan 2020

<table>
<thead>
<tr>
<th>Paris</th>
<th>France</th>
<th>Lyon</th>
<th>Marseille</th>
<th>Corse</th>
<th>Bordeaux</th>
<th>Nantes</th>
<th>Toulouse</th>
<th>Portugal</th>
<th>New York</th>
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## Jan 2021

<table>
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<th>Paris</th>
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Microsoft Internal Data
Germany Top Travel Destinations YoY

Top 10 Travel Destinations – Jan 2020
- Berlin
- Hamburg
- Mallorca
- Frankfurt
- Deutschland
- Kroatien
- Wien
- Dresden
- Paris
- Leipzig

Top 10 Travel Destinations – Jan 2021
- Berlin
- Deutschland
- Hamburg
- Kroatien
- Frankfurt
- Mallorca
- Dubai
- Italien
- Usedom
- Gardasee

Microsoft Advertising Internal Data
Key Takeaways

- **Sustainable travel is gaining more popularity since COVID-19** and the world’s carbon emission outputs from the tourism industry have steadily declined as a result of lockdowns.

- Most global travelers see the *positive impact of sustainable travel* and expect the industry to adapt, with younger generations leading the discussion.

- COVID-19 has greatly impacted how people are *prioritizing their travel needs and intentions* – we predict consumers will start paying more attention to social distancing, the environment, and supporting local communities they are traveling to.

- **Domestic travel** is expected to increase over the next two years as international travel should remain stagnant.
Recommendations with Microsoft Advertising

- **Use Dynamic Search Ads to capture emerging travel queries:** set up Dynamic Search Ads as a ‘catch all’ strategy to capture newly emerging queries as consumer search patterns might change.

- **Modify messaging:** check if your ads are addressing time sensitive search interest, leverage **Responsive Search Ads** to adjust to changing consumer preferences.

- **Utilize automated bidding strategies:** automated bidding helps you to stay on top of the dynamic marketplace, use **Enhanced CPC** when minimal threshold conversion volume for **conversion-based strategies** is not met.

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