AU holiday travel trends
Travel searches on Microsoft Search Advertising are surpassing pre-pandemic volumes. Be prepared for high demand for travel in upcoming **summer period**.

**Family vacation** and **Car rental services** are fastest growing subcategories on Microsoft Search Network.

Searches for **Intrastate travel destinations** dominate on Microsoft Search Network.
Travel showed strong signs of recovery in first half of 2021

Holiday spend shot up +27% in June 2021 compared to pre-pandemic

- Summer is when Aussies’ travel the most
- Domestic travelers’ +26% over spring period
- Spend +38%
  - Australians took longer trips interstate and to regional areas in first half of 2021.
  - Opening of Trans-Tasman bubble led to international travel shooting up by 112% month over month (MoM) in May 2021 and departures by 68% during the same time.
  - 79% visitors' arrivals in Australia in May were from New Zealand.

Source: 1. National visitor Survey, March June 2021
2. Outbound arrivals and departures, May 2021
Australians are starting to think and dream about their next holiday

51%
Thinking/ actively researching about their next holiday

39%
Intend to travel in next 3-6 months

25%
Intend to travel to New Zealand
(International travel accounts for less than 10% of travel bookings)

Source: 1. Tourism Sentiment Tracker, Aug 2021, TRA
Take advantage of engaged users searching for travel

1 in 3 Australians plan to spend their COVID-19 led household savings on Travel

In August 2021, Aussie’s travel searches reached a 15-month high and surpassed 2019 volumes first time since the start of pandemic.

Impressive growth in searches continued in September with search volumes up +7% over 2019.

Clicks grew 1.5x year-over-year (YoY) in September.

2. Microsoft internal, O&O Core (Bing and Yahoo), Travel L1, Jan 2019 - Aug 2021
People are searching more for travel attractions and destinations as vaccination rate increases

Searches for International flights increased +194% month-over-month (MoM) in August on Microsoft Advertising

In September 2021, Travel attractions & destinations searches uplifted +18% YoY and reached all time high in last 3 years.

Australians’ rising excitement in travel provides unique opportunities to meet demand

The rate of vaccinations and Australian Travel Destination and Attractions searches have a statistically significant positive correlation relationship for the 7-day moving average.

As vaccination rates have increased, so too have travel searches.

Source: 1. Au Health Covid-19 data, Link 2. Microsoft internal, O&O Core (Bing and Yahoo), Travel L1, Jan 2019 - Aug 2021
Major subcategories showing fastest growth on Microsoft Advertising are...

- **Family Vacation & Travel**: +130% MoM search growth
- **Car Rental Services**: +52% MoM search growth
- **Historical Sites & Buildings**: +34% MoM search growth
- **Cruises & Services**: +31% MoM search growth

*Pro tip:* Reactivate any paused campaigns. Showcase popular attractions with Sitelink Extensions and Enhanced Sitelinks.

Source: Microsoft Internal Data, AU, August 2021
We set out to prove that users exposed to Microsoft Audience ads engage with Travel brands at a higher rate

TRAVEL AD EFFECTIVENESS STUDY

AWARENESS
3.5x
Lift in brand awareness per user, measured by post-exposure brand search rate

CONSIDERATION
5.1x
Lift in brand consideration per user, measured by post-exposure domain visit rate

CONVERSION
5.1x
Lift in brand purchase per user, measured by post-exposure conversion page visit rate

Notes: Results may vary for each advertiser based on campaign settings, targeted audiences, and other factors. Lift metrics represent an average of all Travel advertisers with completed lift studies to date (Aug. 2021). These advertisers may be a non-representative sample of all advertisers on the marketplace. Lift measured between exposed users and a control group of eligible unexposed users, with lift represented on a per-user basis. Average user count per advertiser study = 637k
Be present on Microsoft Audience Network to increase your reach in the upper funnel

Travel clicks on Microsoft Audience Network surged by +37% in Summer period compared to spring vs +6% uplift in clicks for search during the same time

A study on effectiveness of Microsoft Audience Network for Travel advertisers in the US found that:

Users that were exposed to **both** a search ad **and** a native ad from the same advertiser saw:

1. **5.1x lift in Site Visits**
2. **4.9x lift in Conversions**

compared to users who were only exposed to asSearch ad and not a native ad.

**Pro Tip:**
Expand your search campaigns to Microsoft Audience network

Source: 1. Microsoft internal, O&O Core (Bing and Yahoo), Travel L1, Jan - Aug 2021
2. Travel effectiveness study, US, March 2021
Use features like Remarketing, In-market audiences and Similar audiences to effectively target users in the market for travel.

In May 2021, 50% of Australian travelers made bookings within 14 days of travel.

Last minute travel searches picked up in first 2 weeks of December and January.

Highest searches were in week 4 in January just before the school reopening.

Source: 1. 5 Key points in APAC Hotel Performance. STR, May 2021, Link
2. Microsoft internal, O&O Core (Bing and Yahoo), Travel L1, Dec 2020 - Feb 2021
Searches for Air Travel, Hotels & Resorts and nature-based experiences were top performers last summer.

Top subcategories by search- (December ‘20-February ‘21)

- Airline Tickets, Fares & Flights
- Hotels, Motels & Resorts
- Beaches & Islands
- Lakes & Rivers
- Camping, Caravan & RV Accommodations
- Accommodation Packages
- Road Maps
- Regional Parks & Gardens
- Zoos & Aquariums
- Historical Sites & Buildings
- Bus & Rail Services
- Adventure Travel
- Car Rental Services
- Sightseeing Tours

Pro tip: Use Image feed ads to turn lookers into bookers

✓ Microsoft first ad placement
✓ Intent triggered rich format
✓ Shorten the customer’s decision journey

Source: Microsoft internal, O&O Core (Bing and Yahoo), Travel L1, Jan 2019 - Aug 2021
Interest in interstate domestic locations is increasing

Interstate impression share increased +1% MoM in August amidst lockdown.

Last summer, Aussies share of interstate trips uplifted by +8% compared to spring period\(^2\)

**Pro tip:** Use location-based differentiation strategies for better return on investment.

Source: 1. Microsoft Internal Data, AU, Keyword Insights Travel AU, March – August 2021
2. National visitor survey, TRA, Sep 2020-Feb 2021
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 Microsoft Audience Network to stay on the travel shopper’s mind. Use the Google Import tool to bring your search and audience campaigns to Bing users.
- Use Search and Native strategies together to maximize performance

**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 visitors investigating holidays and trips (1-14 days)

**Plan for the Summer**
- It’s time to engage with Summer travellers
- Plan sufficient budget throughout the search window
- Ensure the right visibility on generic keywords and destinations to reclaim your share of voice

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