



MICROSOFT ADVERTISING INSIGHTS

AU holiday travel trends

Microsoft Advertising. Great relationships start here.



Summary



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



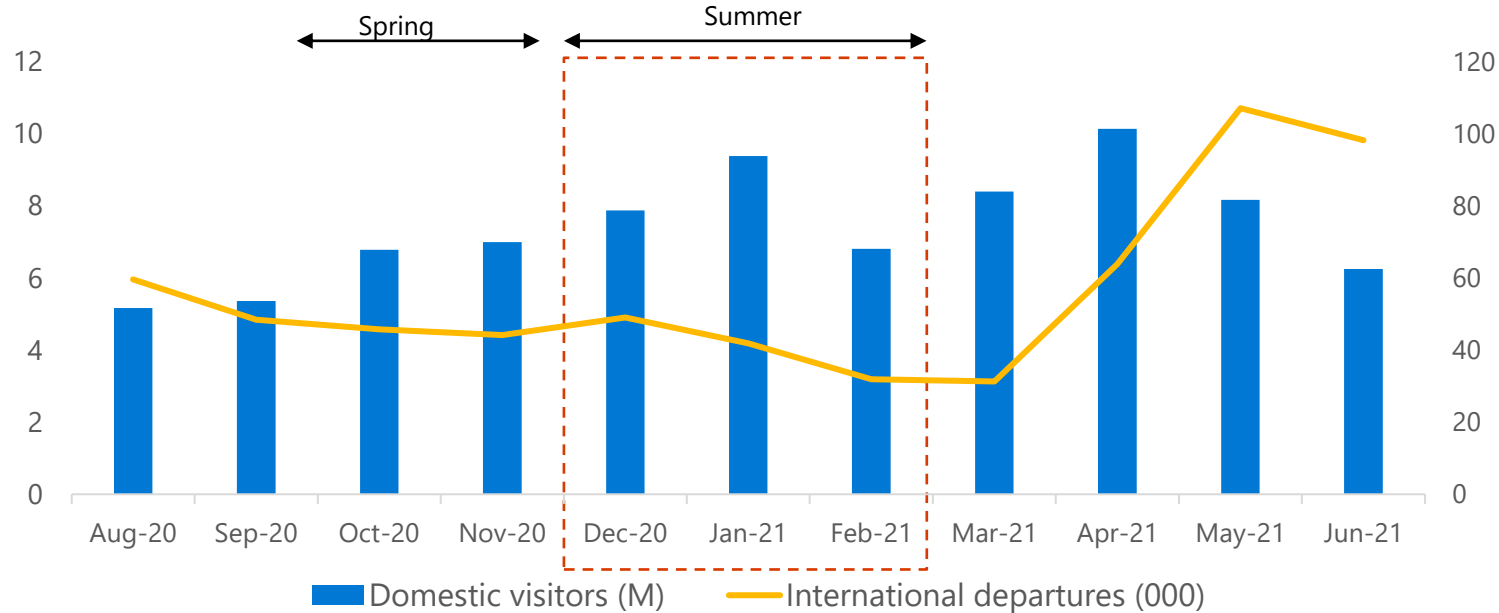
Family vacation and **Car rental services** are fastest growing subcategories on Microsoft Search Network.



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 period¹

 Spend **+38%**

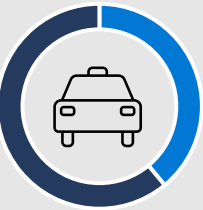
- Australians took **longer trips interstate** and to **regional areas** in first half of 2021.
- Opening of Trans-Tasman bubble led to **International travel shooting up by 112% month over month (MoM) in May 2021** and departures by 68% during the same time.²
- 79% visitors' arrivals in Australia in May were from New Zealand

Australians are starting to think and dream about their next holiday



51%

Thinking/ actively researching about their next holiday¹



39%

Intend to travel in next 3-6 months



25%

Intend to travel to New Zealand²
(International travel accounts for less than 10% of travel bookings)

Source : 1. Tourism Sentiment Tracker, Aug 2021, TRA

2. Locked-down Aussies travel intent, Flight centre. Link: <https://www.afr.com/companies/tourism/cabin-fever-has-australians-dreaming-of-10-nights-away-20210806-p58gj3>

Take advantage of engaged users searching for travel



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



In August 2021, Aussie's travel searches reached a **15-month high** and surpassed 2019 volumes first time since the start of pandemic ²

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



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

Source: 1. Household impacts of Covid-19 survey, ABS, June 2021

2. Microsoft internal, O&O Core (Bing and Yahoo), Travel L1, Jan 2019 - Aug 2021

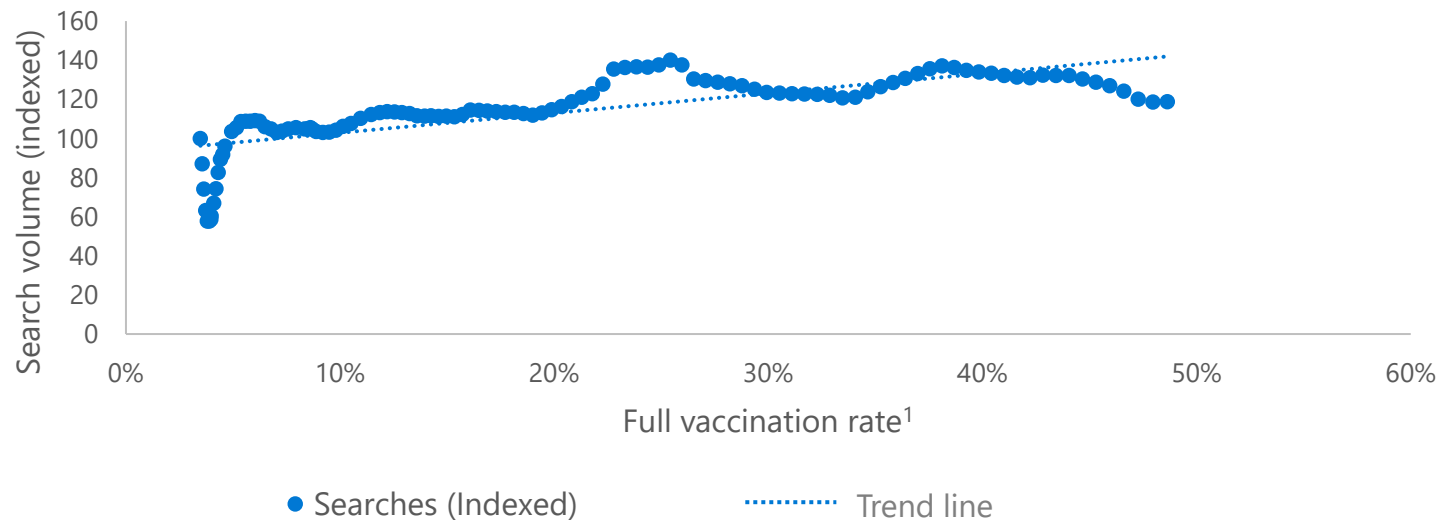
People are searching more for travel attractions and destinations as vaccination rate increases



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.

7 day moving average - searches vs vaccination rates



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](#)

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

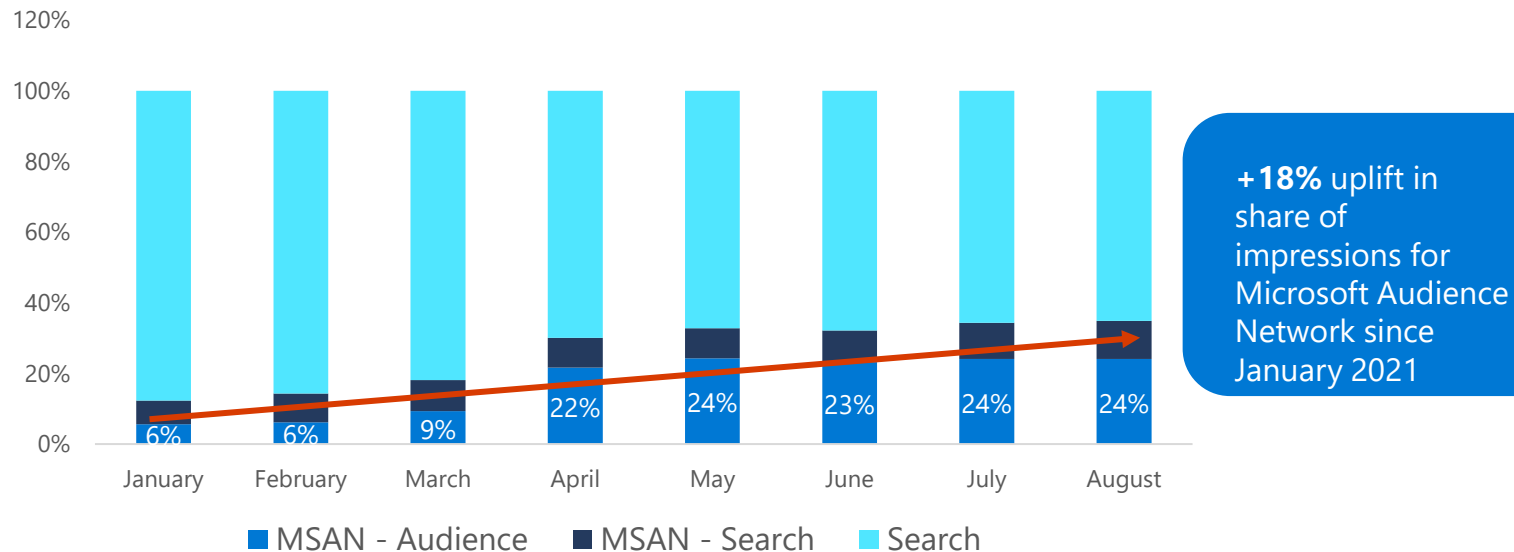
5.1x

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

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 time¹

Share of impressions by ad distribution medium



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.²



Pro Tip:
Expand your search campaigns to Microsoft Audience network

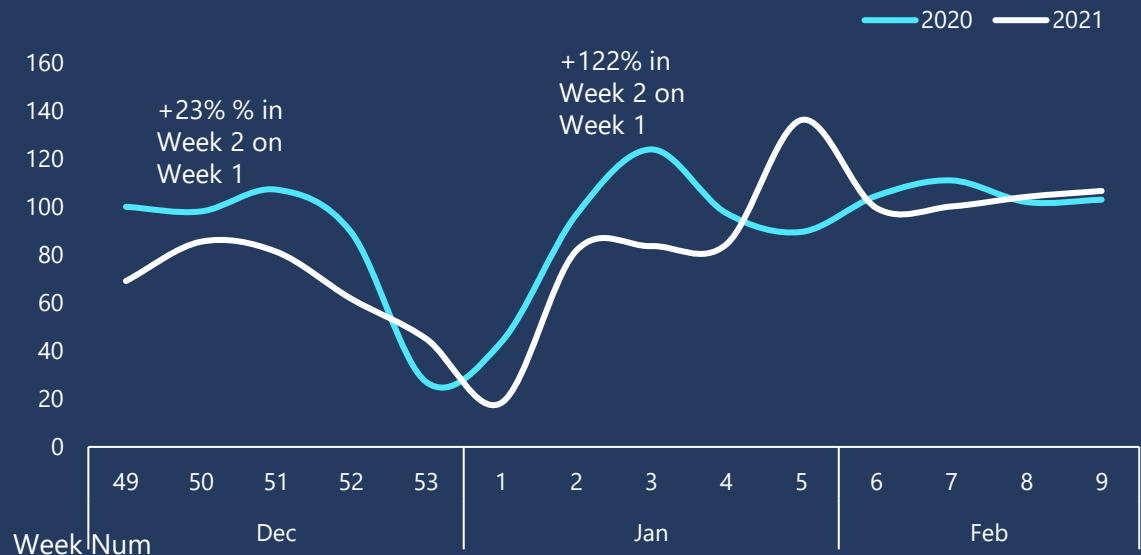
Source: 1. Microsoft internal, O&O Core (Bing and Yahoo), Travel L1, Jan - Aug 2021
2. Travel effectiveness study, US, March 2021

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 travel¹

Last minute travel search volume (indexed)



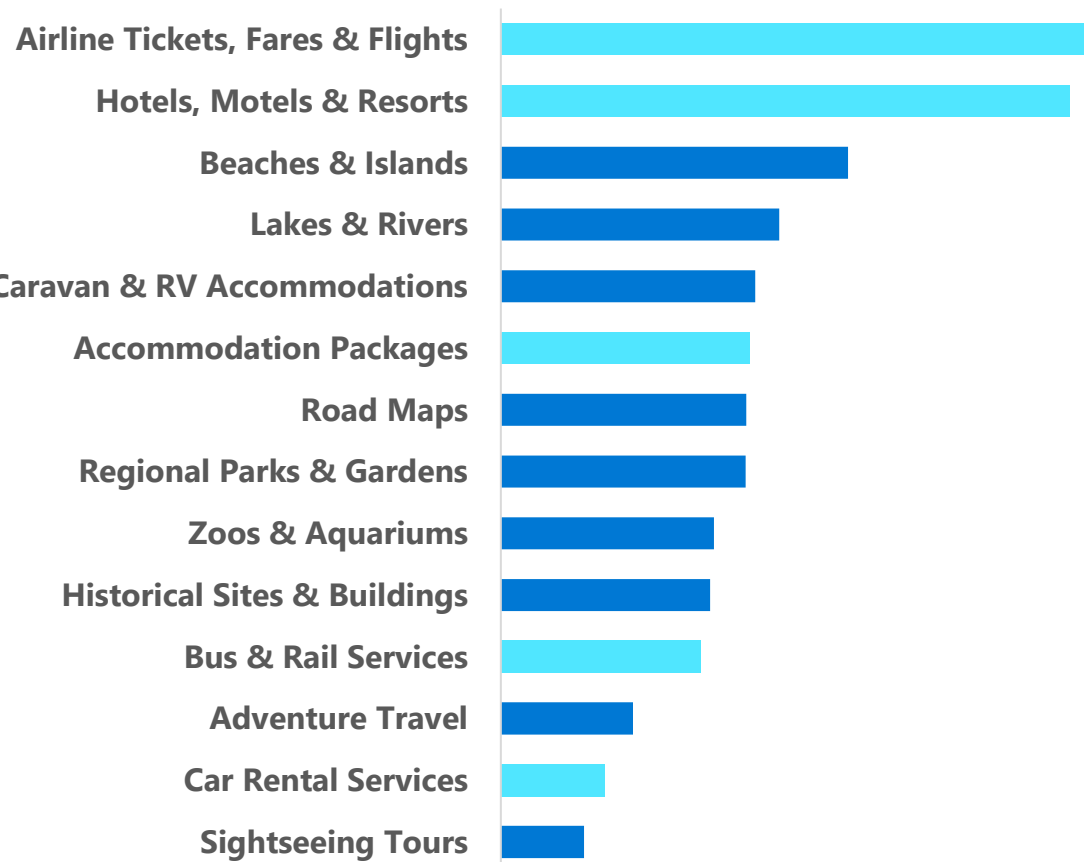
Last minute travel searches picked up in first 2 weeks of December and January.

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

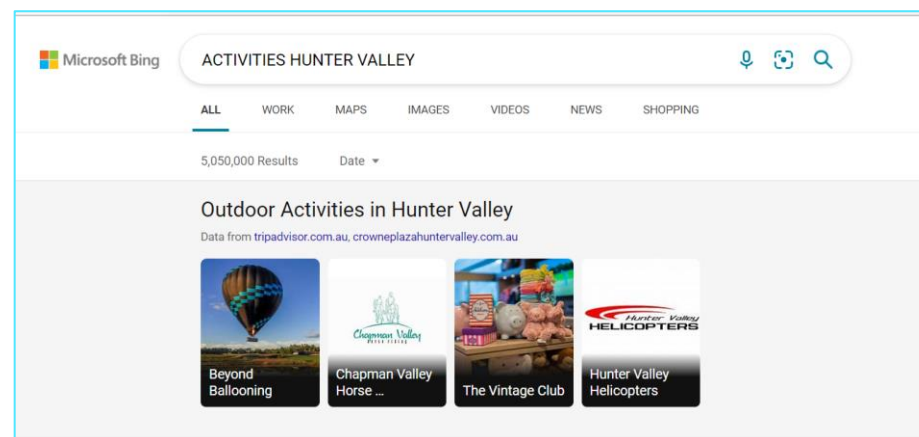
Top subcategories by search- (December '20-February '21)



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



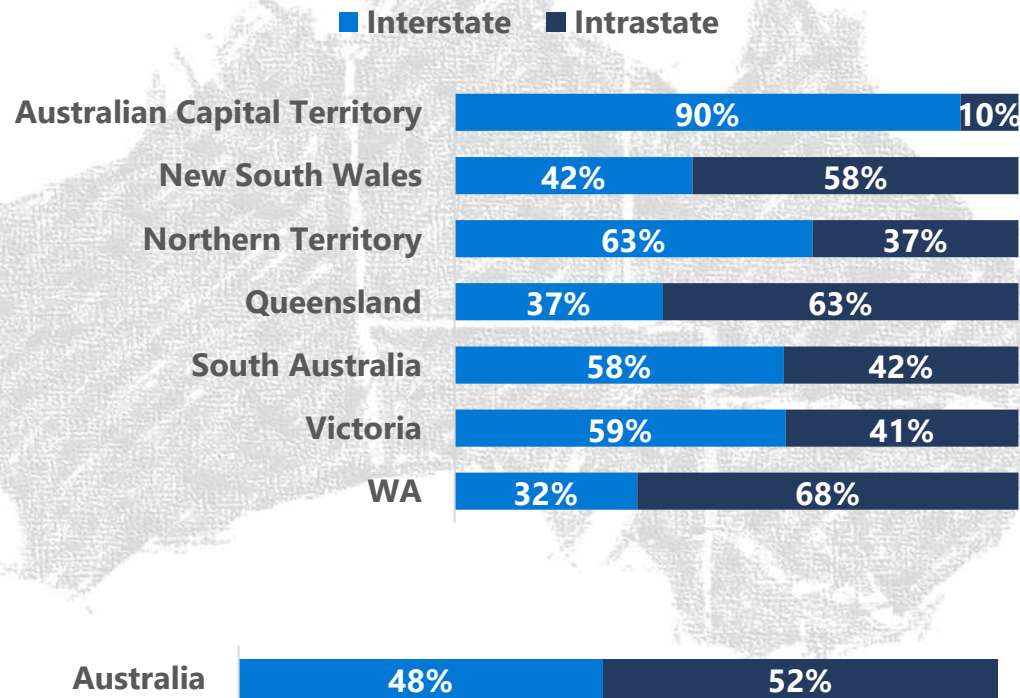
- ✓ Microsoft first ad placement
- ✓ Intent triggered rich format
- ✓ Shorten the customer's decision journey



Interest in interstate domestic locations is increasing

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

Share of inter-intrastate destination impressions – August '21



Last summer, Aussies share of interstate trips uplifted by +8% compared to spring period²



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



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



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