



Domestic Travel

Travel Demand Recovery
Series





Key Questions

Lockdown has resulted in consumers being subject to travel and mobility restrictions. However with lockdown easing, there is now greater freedom to travel domestically and to socialize with others outside of your household. What effect will this have on consumer demand to travel domestically?

- **How are domestic travel searches evolving during this time period?**
- **What is the variance of domestic travel demand amongst different travel categories?**
- **What are the top domestic destinations driving demand?**
- **What recommended actions can I take for my marketing strategy at this time?**



Key Findings

Across markets, lockdown easing has amplified domestic travel search demand from May onwards. Despite borders reopening across Europe throughout June, effectively permitting international travel, domestic travel demand displays strong momentum

Markets are at different stages of growth, with FR, NL, DE and IT displaying strong growth across most if not all domestic travel categories

Across markets, domestic travel is displaying an uplift in associated categories like camping, vacation rentals, car hire and holidays

Across markets, there is a diversity of domestic destinations driving demand with large cities, coastal sites and more secluded areas of natural beauty all proving popular

Smart actions you can start with today

- **Re-activate campaigns to target domestic destinations:** Letting campaigns run on lower CPCs - yet above first page bids threshold - is a low-risk strategy that allows you to quickly **respond to growing consumer interest** in a low-competition environment
- **Modify messaging:** Check if your ads are addressing current situation, 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
- **Use Dynamic Search Ads to capture emerging queries:** Set up Dynamic Search Ads as a 'catch all' strategy to capture **newly emerging queries** as consumer search patterns might change
- **Ensure visibility on generic keywords:** Consumers are increasingly relying on generic (non-brand) searches to find what they need

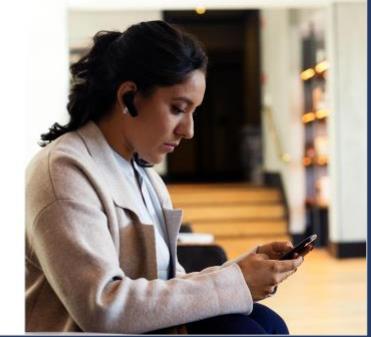
Chapters



United Kingdom
Focus



France Focus



Germany Focus



Italy Focus



Netherlands Focus



Spain Focus



Marketplace Index : Methodology

This **MACD-type** analysis offers an at-a-glance high-level signal about the **commercial viability** (marketplace index) of our travel marketplace compared to times of **relative normality** (indicated by thick horizontal line in graph). “**Normality level**” (black line) is last year’s (Jan-June) median score.

If all **short-term** averages (**blue lines**) **grow and break through long-term** averages (**red lines**) this might be a **sign that recovery set in**.

We calculated an index which takes into account :

- a) **The search volume of SEA and SEO**, to assess web users interest in travel category (but can be informative only)
- b) **The search volume of SEA only** to assess the web users commercial intent
- c) **Clicks** to assess the web user's engagement
- d) **CPC** to assess advertiser's competition on the SERP.

The **index** is the **sum of these components**, which helps in assessing the **overall health status of a specific travel category**. Each metric is weighted equally.

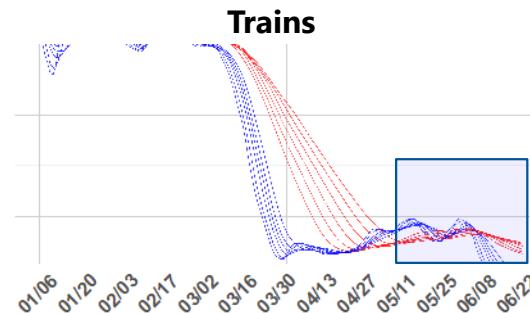
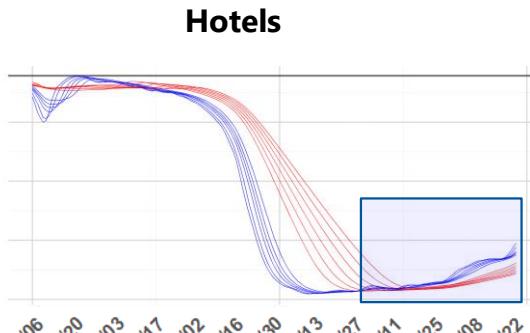
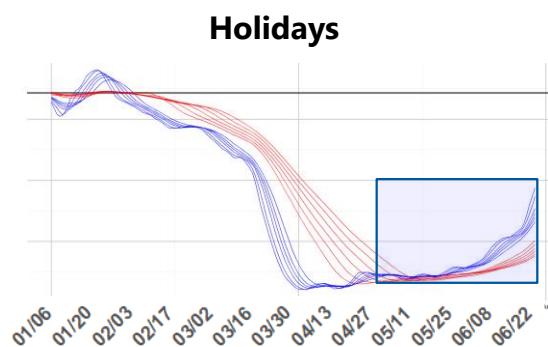
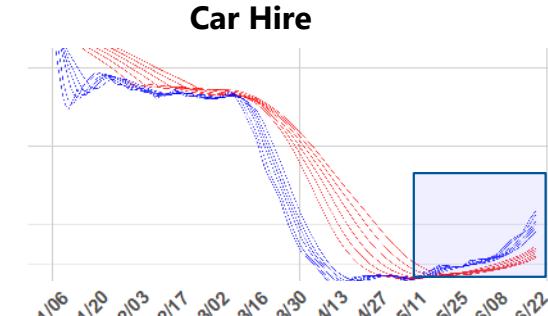
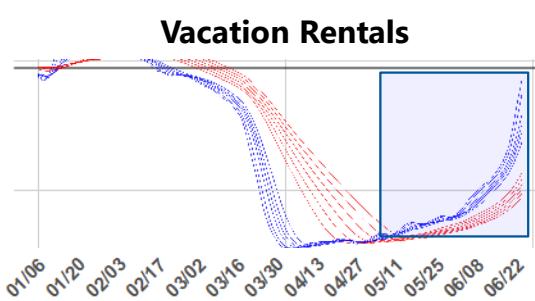
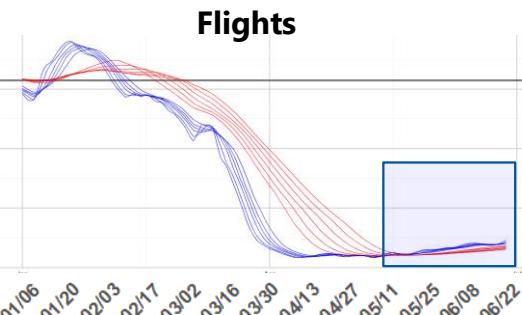
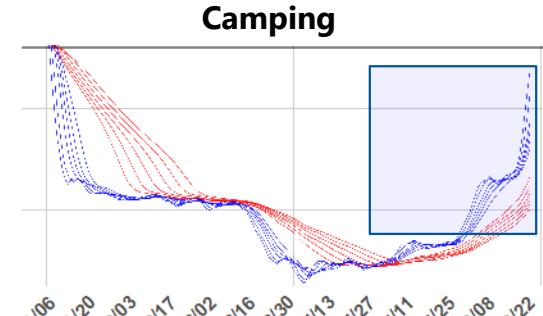


United Kingdom Focus



Domestic camping and vacation rentals show steep recovery

Marketplace Index – Domestic Destinations



- This **MACD-type** analysis offers an at-a-glance high-level signal about the **commercial viability** (marketplace index) of our travel marketplace compared to times of **relative normality** (indicated by thick horizontal line in graph)
- If all **short-term** averages (blue lines) **grow and break through long-term** averages (red lines) this might be a **sign that recovery set in**
- **Strongest sign of recovery in Camping** with steep growth in a short time and short-term averages close to normal levels
- **Car Hire, Holidays, Vacation Rentals and Hotels** continuing their upward trajectory that started since end of April.
- **Domestic Flights** are displaying small signals of **recovery**.

Data: Microsoft Advertising Internal through 6/25/2020, United Kingdom

MACD: Moving average convergence/divergence

Short term: 3, 5, 8, 10, 12, 15 day moving (short-term) averages of marketplace index

Long term: 30, 35, 40, 45, 50, 55 day moving (long-term) averages of marketplace index



Top 10 UK Domestic Destinations

- 1.) Scotland
- 2.) London
- 3.) Guernsey
- 4.) Devon
- 5.) Norfolk
- 6.) Southampton
- 7.) Glasgow
- 8.) Edinburgh
- 9.) Manchester
- 10.) Yorkshire

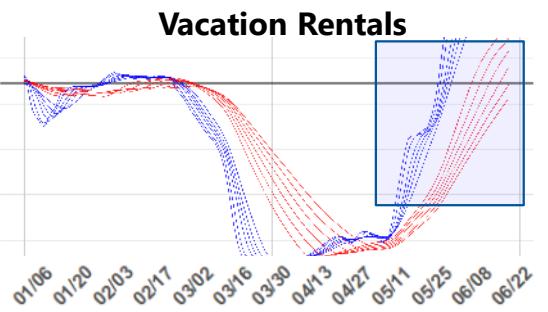
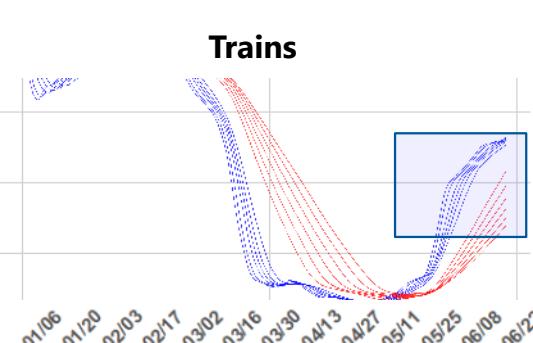
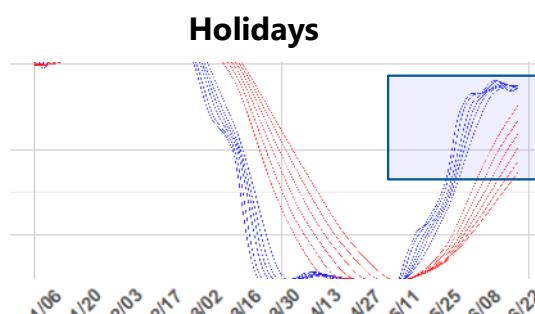
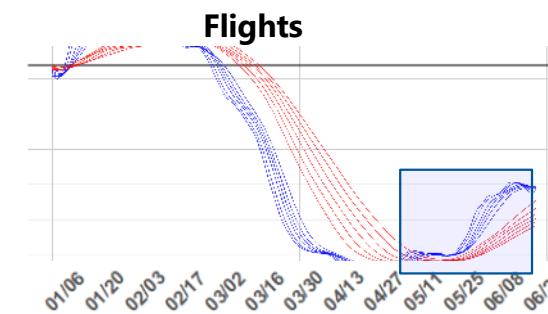
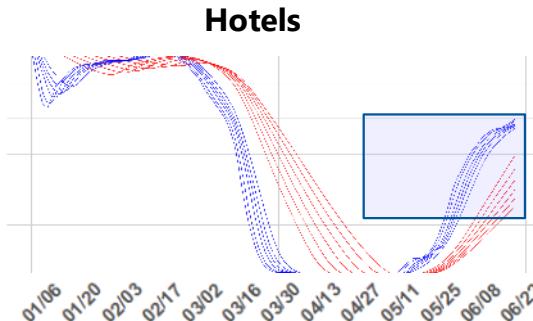
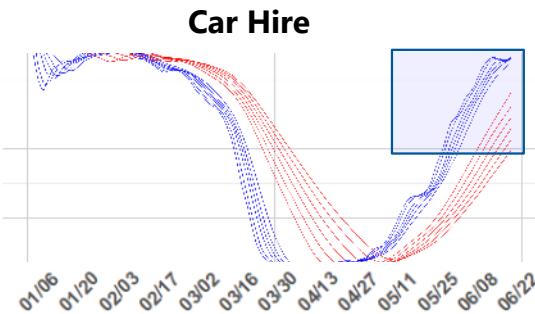
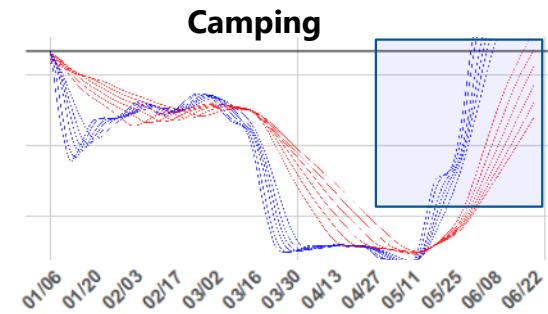


France Focus



Strong domestic travel momentum across categories

Marketplace Index – Domestic Destinations



- This **MACD-type** analysis offers an at-a-glance high-level signal about the **commercial viability** (marketplace index) of our travel marketplace compared to times of **relative normality** (indicated by thick horizontal line in graph)
- If all **short-term** averages (blue lines) **grow and break through long-term** averages (red lines) this might be a **sign that recovery set in**
- **Camping** outperforming normal levels, showing robust and strong momentum for this category.
- **Holidays, Hotels and Trains** continuing their upward trajectory that started since end of April, despite slight slow down.
- **Vacation Rentals** witnessing small signal of **slow down**. However, this travel product is well above the "normality line".

Data: Microsoft Advertising Internal through 6/27/2020, France

MACD: Moving average convergence/divergence

Short term: 3, 5, 8, 10, 12, 15 day moving (short-term) averages of marketplace index

Long term: 30, 35, 40, 45, 50, 55 day moving (long-term) averages of marketplace index



Top 10 FR Domestic Destinations

- 1.) Paris
- 2.) Corse
- 3.) Marseille
- 4.) Lyon
- 5.) Auvergne
- 6.) Nantes
- 7.) Bordeaux
- 8.) Nice
- 9.) Toulouse
- 10.) Lille

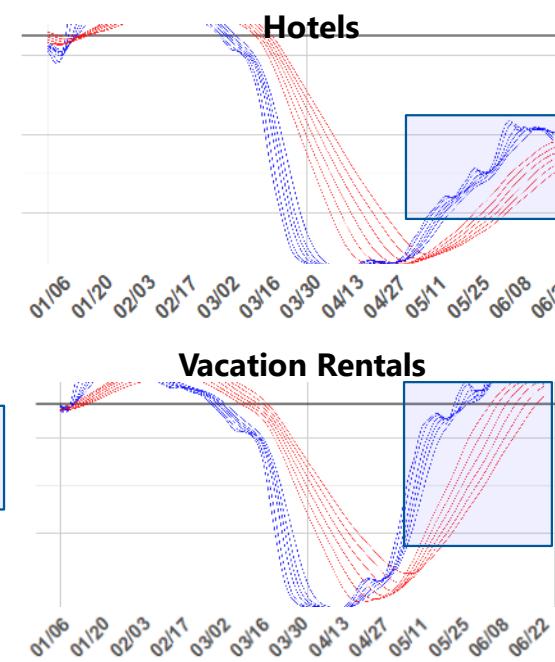
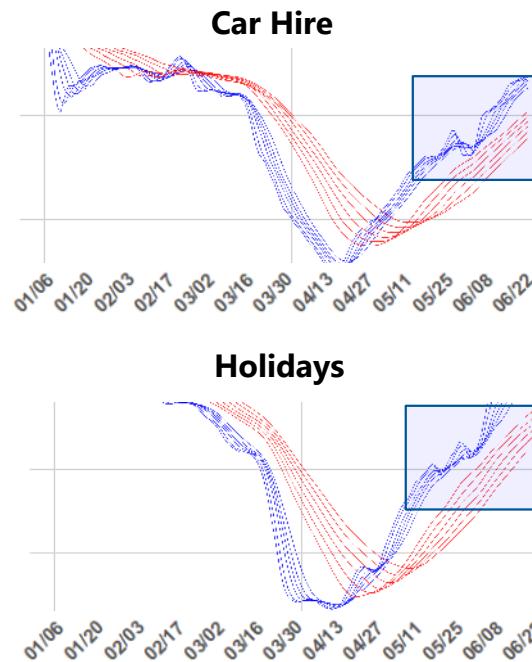
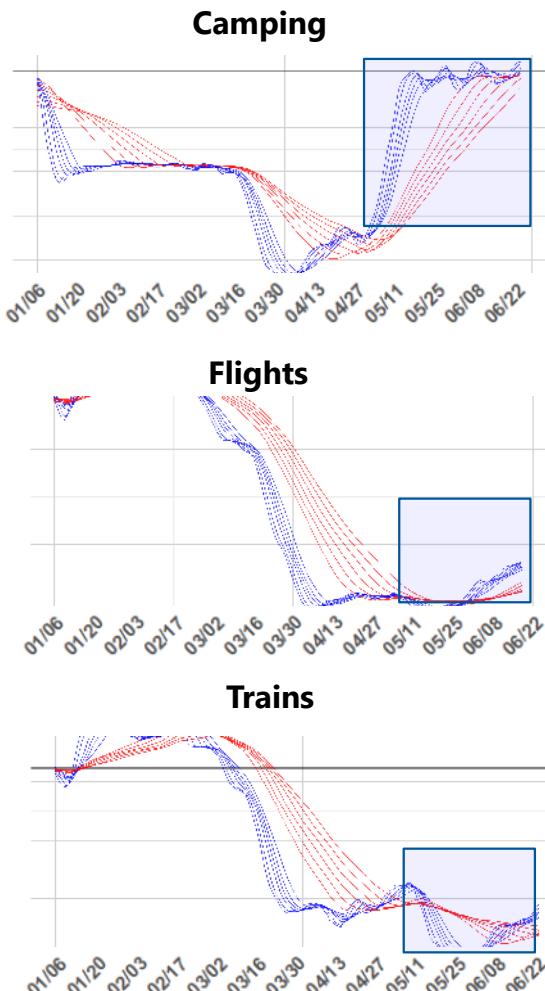


Germany Focus



Domestic camping and vacation rentals show steepest recovery

Marketplace Index – Domestic Destinations



- This **MACD-type** analysis offers an at-a-glance high-level signal about the **commercial viability** (marketplace index) of our travel marketplace compared to times of **relative normality** (indicated by thick horizontal line in graph)
- If all **short-term** averages (blue lines) **grow and break through long-term** averages (red lines) this might be a **sign that recovery set in**
- **Camping has consolidated around the estimated time of normality**, pulling latent long-term averages with it.
- **Car Hire, Holidays, Vacation Rentals and Hotels** continuing their upward trajectory that started since end of April.
- **Domestic Flights** displaying small signals of **recovery**.

Data: Microsoft Advertising Internal through 6/27/2020, Germany

MACD: Moving average convergence/divergence

Short term: 3, 5, 8, 10, 12, 15 day moving (short-term) averages of marketplace index

Long term: 30, 35, 40, 45, 50, 55 day moving (long-term) averages of marketplace index



Top 10 DE Domestic Destinations

- 1.) Berlin
- 2.) Hamburg
- 3.) Hof
- 4.) Usedom
- 5.) Dresden
- 6.) Frankfurt
- 7.) Cuxhaven
- 8.) Norderney
- 9.) Fehmarn
- 10.) Leipzig

Top 10 domestic destinations extracted from travel searches occurring in Germany, June 8th – 21st 2020

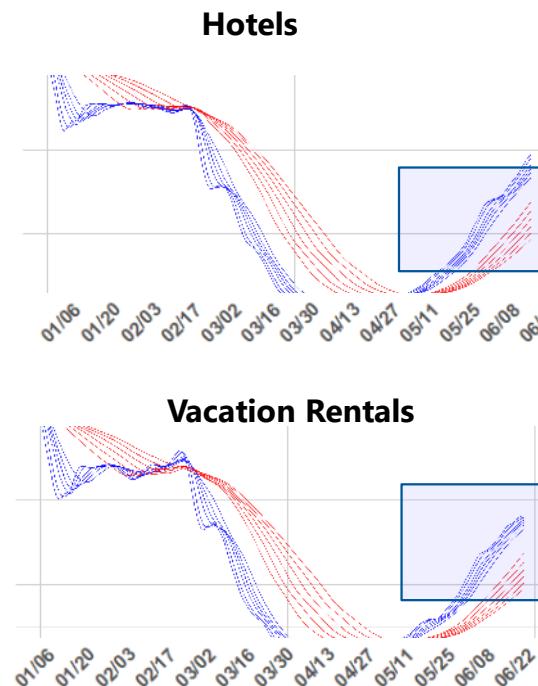
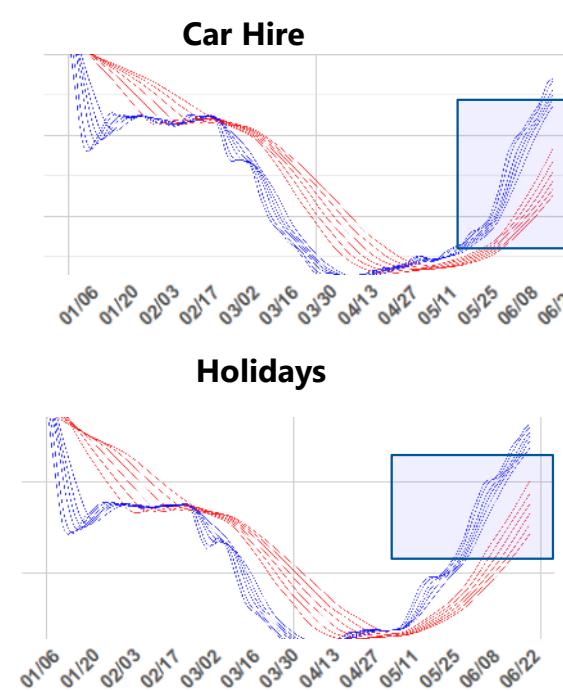
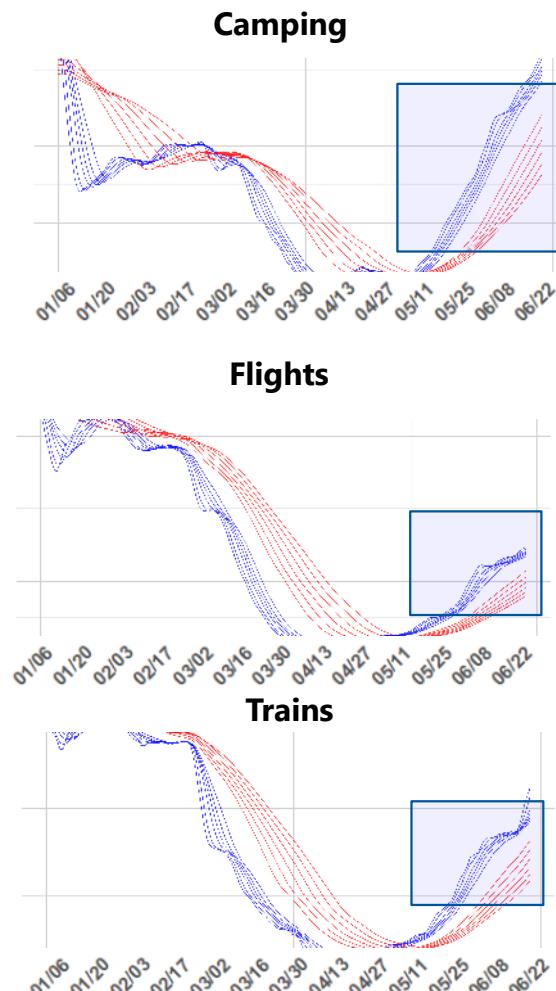


Italy Focus



Domestic camping, holidays and car hire show strong momentum

Marketplace Index – Domestic Destinations



- This **MACD-type** analysis offers an at-a-glance high-level signal about the **commercial viability** (marketplace index) of our travel marketplace compared to times of **relative normality** (indicated by thick horizontal line in graph)
- If all **short-term** averages (blue lines) **grow and break through long-term** averages (red lines) this might be a **sign that recovery set in**
- **Camping is about to reach the estimated line of normality**, with short-term average experiencing upward momentum.
- **Car Hire, Flights, Holidays, Hotels, Vacation Rentals and Trains** continuing their upward trajectory that started since end of April.

Data: Microsoft Advertising Internal through 6/27/2020, Italy
MACD: Moving average convergence/divergence

Short term: 3, 5, 8, 10, 12, 15 day moving (short-term) averages of marketplace index
Long term: 30, 35, 40, 45, 50, 55 day moving (long-term) averages of marketplace index



Top 10 IT Domestic Destinations

- 1.) Jesolo
- 2.) Roma
- 3.) Catania
- 4.) Toscana
- 5.) Milano
- 6.) Palermo
- 7.) Como
- 8.) Cagliari
- 9.) Olbia
- 10.) Napoli



Netherlands Focus



Strong domestic travel momentum across most categories

Marketplace Index – Domestic Destinations



- This **MACD-type** analysis offers an at-a-glance high-level signal about the **commercial viability** (marketplace index) of our travel marketplace compared to times of **relative normality** (indicated by thick horizontal line in graph)
- If all **short-term** averages (blue lines) **grow and break through long-term** averages (red lines) this might be a **sign that recovery set in**
- **Camping , Car Hire, Holidays and Vacation Rentals** outperforming normal levels, showing robust and strong momentum for these categories.

Data: Microsoft Advertising Internal through 6/27/2020, The Netherlands

MACD: Moving average convergence/divergence

Short term: 3, 5, 8, 10, 12, 15 day moving (short-term) averages of marketplace index

Long term: 30, 35, 40, 45, 50, 55 day moving (long-term) averages of marketplace index



Top 10 NL Domestic Destinations

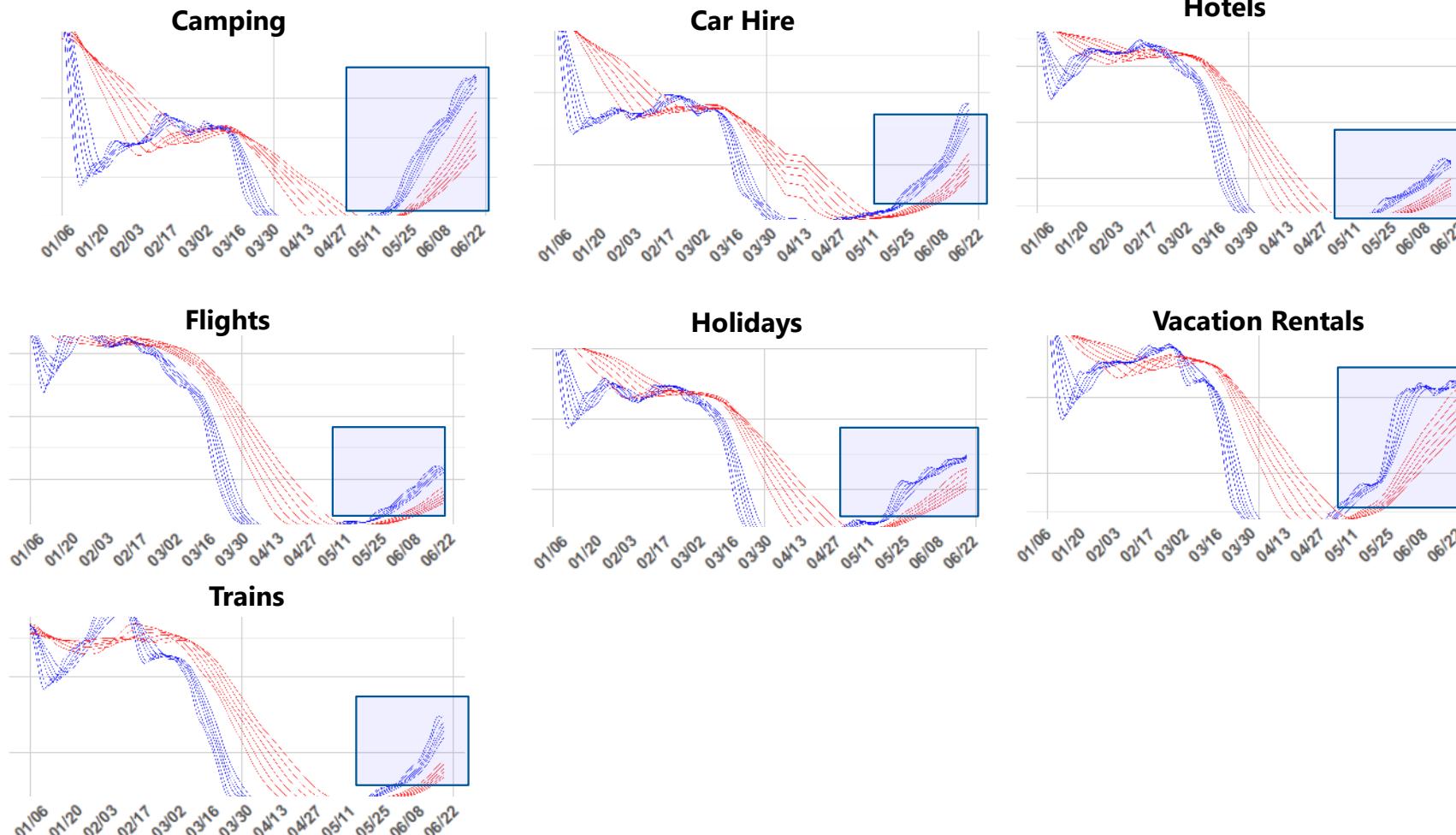
- 1.) Amsterdam
- 2.) Texel
- 3.) Terschelling
- 4.) Rotterdam
- 5.) Maastricht
- 6.) Noordwijk
- 7.) Groningen
- 8.) Valkenburg
- 9.) Vlieland
- 10.) Den Haag

Spain Focus



Domestic travel momentum is strong in most categories

Marketplace Index – Domestic Destinations



- This **MACD-type** analysis offers an at-a-glance high-level signal about the **commercial viability** (marketplace index) of our travel marketplace compared to times of **relative normality** (indicated by thick horizontal line in graph)
- If all **short-term** averages (blue lines) **grow and break through long-term** averages (red lines) this might be a **sign that recovery set in**
- **Camping** is quickly heading upward, showing robust and strong momentum for this category.
- **Car Hire, Flights, Holidays, Hotels and Trains** continuing their upward trajectory that started since end of April, despite slight slow down.
- **Vacation Rentals** is displaying small signals of **slow down**.

Data: Microsoft Advertising Internal through 6/27/2020, Spain

MACD: Moving average convergence/divergence

Short term: 3, 5, 8, 10, 12, 15 day moving (short-term) averages of marketplace index

Long term: 30, 35, 40, 45, 50, 55 day moving (long-term) averages of marketplace index



Top 10 ES Domestic Destinations

- 1.) Tenerife
- 2.) Madrid
- 3.) Menorca
- 4.) Barcelona
- 5.) Bilbao
- 6.) Ibiza
- 7.) Fuerteventura
- 8.) Malaga
- 9.) Alicante
- 10.) Palma



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