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?**

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**.

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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

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

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

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

Top 10 domestic destinations extracted from travel searches occurring in NL, June 8th – 21st 2020
Spain Focus
Domestic travel momentum is strong in most categories

Marketplace Index – Domestic Destinations

- 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.

- **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.

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

MACD: Moving average convergence/divergence
Short term: 3, 5, 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

Top 10 domestic destinations extracted from travel searches occurring in Spain, June 8th – 21st 2020
Microsoft Advertising. Intelligent connections.