Optimizing digital channels for marketing and promotions in the travel industry

December 2017

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Project Background

Background

Visit Finland's mission is to develop Finland's travel destination brand, market Finland to travellers abroad and help Finnish travel companies attract visitors and grow their businesses.

To support this mission, **ORC International** was asked to conduct market research to **identify emerging trends** in digital marketing and **develop region-specific digital marketing recommendations** for Visit Finland across 9 countries.

Objectives

Specific project objectives:

1. **Identify key digital travel platforms and networks** in each market

2. **Develop recommendations** for what channels to use based on Visit Finland resources

3. **Create case studies and provide best practice examples** of the ways the companies should work with travel destinations to increase business

Methodology & Scope

Four phases of research:
1. Kick-Off Session
2. Desk Research
3. Expert Interviews
4. Analysis & Delivery

Nine countries:
1. UK
2. Germany
3. France
4. Italy
5. Netherlands
6. Russia
7. Japan
8. China
9. South Korea

200+ Published Sources Analyzed

16+ Outside Expert Interviews

Reaching Objectives

How we meet specific project objectives...

1. **Identify key digital travel platforms and networks in each market**

2. **Develop recommendations for what channels to use based on Visit Finland resources**

3. **Create case studies and provide best practice examples of the ways the companies should work with travel destinations to increase business**
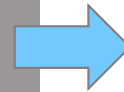
Review of global databases and country-specific publications that mention top digital channels
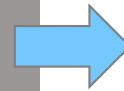
Assess top digital channels in each market where there is an opportunity for high ROI
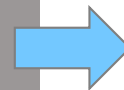
Identify cases where destination marketing campaigns have successfully worked to promote their region through innovative digital campaigns

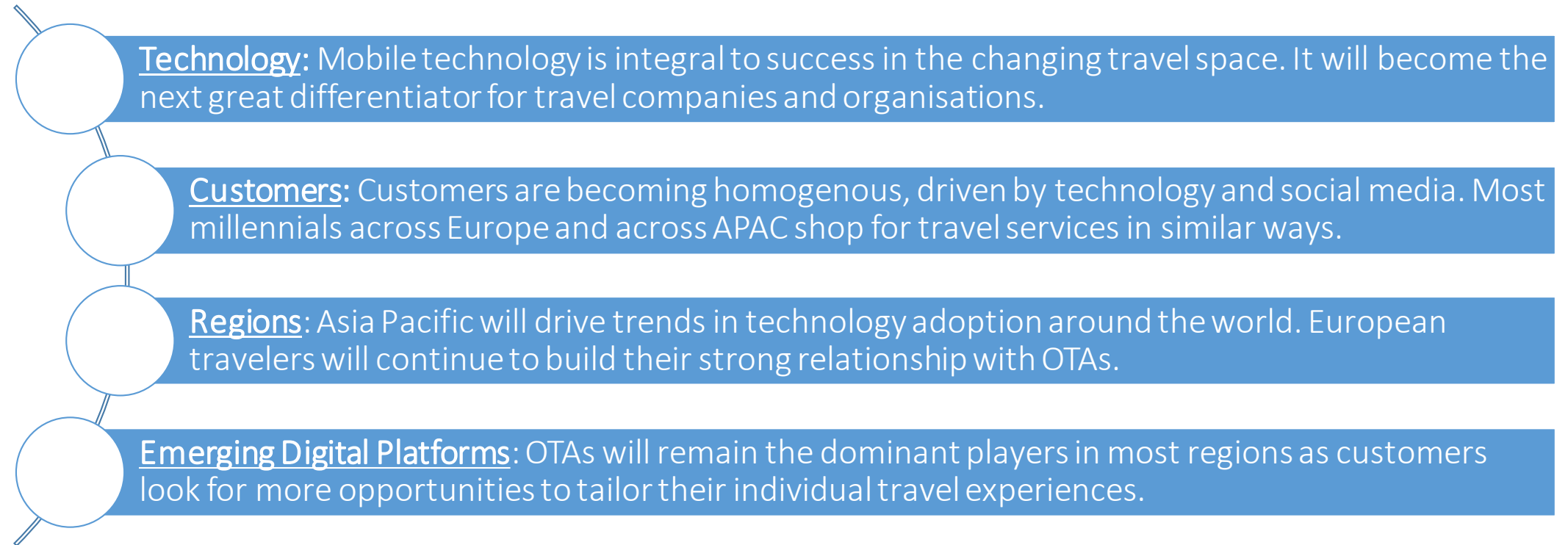# Executive Summary

Executive Summary

In the course of completing this research, we developed a framework for understanding the emerging trends and factors that influenced the global travel sector. **When considering which digital channels would be the best to pursue in each region, we looked at four key elements: technology, customers, region and leading digital platforms**.

<u>Technology</u>: Mobile technology is integral to success in the changing travel space. It will become the next great differentiator for travel companies and organisations.

<u>Customers</u>: Customers are becoming homogenous, driven by technology and social media. Most millennials across Europe and across APAC shop for travel services in similar ways.

<u>Regions</u>: Asia Pacific will drive trends in technology adoption around the world. European travelers will continue to build their strong relationship with OTAs.

<u>Emerging Digital Platforms</u>: OTAs will remain the dominant players in most regions as customers look for more opportunities to tailor their individual travel experiences.

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Market overview

The following table provides a **synopsis of data and materials gathered from various sources** during the course of our research. The document **outlines key variables that influence travel decisions** across all nine markets and highlights emerging trends.
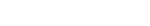
Market	Online Booking Rate	Mobile Booking Rate	Leading Digital Travel Channels	Key Demographics	Emerging Trends
UK	76% of travelers (ABTA; 2016)	8% (Kayak; 2016)	TripAdvisor.co.uk, Skyscanner.net, Airbnb.co.uk	Millennials	Popularity of Scandinavia is growing.
Germany	43% of travelers (FUR; 2017)	24% (PhocusWright; 2017)	OTAs lose share to travel providers in the coming years, due to aggressive efforts by suppliers in all segments to drive direct online bookings.	Baby Boomers	German travelers are concerned with safety of travel.
France	~ 75% of travelers (IPSOS; 2017)	20% (PhocusWright; 2017)	OTAs are taking control of the online travel market.	Millennials and Families	Influenced by travel guides; 40% of French national use travel guide websites such as Lonely Planet
Italy	91% of travelers (2016)	42% (2016)	TripAdvisor.it, Airbnb.it, Trivago	Millennials and Families	Weak economy leading to increased internal travel.
Netherlands	> 50% of travelers (EU Stats; 2016)	--	TripAdvisor.nl, Zoover, Coorendon	Millennials and Families	Adventurous; looking for exciting travel opportunities.
Russia	--	--	OTAs are growing in popularity over travel suppliers.	Wealthy Millennials	Weak economy leading to increased internal travel.
Japan	69% of travelers (JTB Tourism Research; 2016)	49% (Netwise; 2015)	Jalan.net, Travel.rakuten.co.jp, TripAdvisor.jp	Baby Boomers and Millennial Women	Concerned with safety of travel in Europe after terrorist attacks.
South Korea	~ 74% of travelers (2016)	--	Naver is key to developing a strong business in South Korea.	Millennials	Mobile and social media focus.
China	74% of travelers (Hotels.com; 2016)	>60% (Phocuswright; 2017)	Ctrip, Fliggy (Alitrip.com), Qunar.com	Wealthy Millennials	Mobile and social media focus.

Market recommendations

The following recommendations have been compiled through an analysis of available secondary research and feedback from primary depth interviews with industry experts in each market.

| Market	Recommendation #1	Recommendation #2	Recommendation #3
UK	**Invest in paid search** through Google, Facebook and Instagram to drive search traffic	Partner with OTAs to **promote unique locations at key times of year**	Partner with **niche suppliers and leading tour operators** like Airbnb and Thomas Cook
Germany	Position products and services to align with German tourists' **interest in safety**	**Partner with leading OTA portals** (HRS, Booking.com and Expedia) to drive the most traffic	**Look to Instagram and social media sites** like YouTube to engage with younger Germans
France	**Partner with social media influencers** and travel bloggers	Create connections with **alternate accommodation websites** like Airbnb	**Focus on ratings sites** like TripAdvisor
Italy	Partner with **major OTAs** (Booking & Expedia) and **search sites** (TripAdvisor)	Look for ways to attract Italian tourists based on **price and value for money**	Create more partnership with Italian bloggers and social media influencers to **tell real stories** about what it's like to travel to Finland
Netherlands	Look for ways to cater to **shorter, frequent trips** through last minute deals on OTAs	Use social media to connect Dutch travelers with **real experiences**	Find ways to **cater to older demographics** (who are still tech savvy)
Russia	**Target Moscow and St. Petersburg markets** to increase sales of tours in Finland	Make sure destination websites are optimised for mobile and **searchable in Russian language**	**Social media will grow in usefulness** for marketers, especially Facebook
Japan	Partner with **Jalan.net and/or Rakuten Travel**	**Mobile booking is a must** for Japanese travelers	**Partner with local bloggers and influencers** to raise awareness about Finland
South Korea	**Advertise with Naver**, South Korea's most influential search engine	**Advertise through Kakao**, South Korea's upstart social media messaging network	Use various booking preferences to your advantage (**South Koreans prefer to book flights, accommodations separately**)
China	**Partner with Mafengwo**, China's fastest growing travel research and booking platform	Continue to cater to **shifting needs of Chinese travelers** (Good start: Helsinki Airport)	Adopt a **mobile-first strategy** to target largest possible customer segment (WeChat)

8 emerging mega-trends

In addition to analyzing global regions and specific markets in an effort identify key digital travel channels, **we reviewed top thought-leadership publications on the travel industry** from sources around the world and identified 8 emerging mega-trends that will affect the travel industry in the years ahead. **The following slides touch on each of these 8 mega-trends in more detail:**

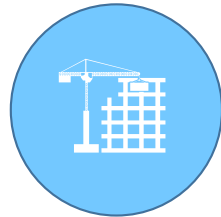Increased travel
market growth

Airlines pushing
boundaries
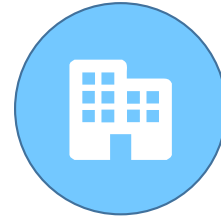
Hotels face
more pressure

"Shared economy"
enters mainstream

Changing sales
funnel

China is driving
smartphone growth

Growth of
mobile & chat

'In-destination'
innovation

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Online travel spending is poised to grow

Trend Overview

The global travel market was smaller in 2016 than it was in 2014, with political uncertainty and currency fluctuations constraining travel growth. **Now, the global travel sector is expected to expand.** Traditionally strong travel regions like the U.S. and Europe will be big growth drivers, but Asia Pacific is expected to lead gains, especially as its online and mobile environments mature.

Increased travel market growth

Marketplace

In 2017, online travel will see the fastest growth in emerging markets: **the Middle East, Asia Pacific, Eastern Europe and Latin America.**

Global online travel bookings are expected to grow from USD $513 B in 2016 to $567 B in 2017, **nearly an 11% increase**. APAC is expected to account for the largest segment of online travel bookings by 2020.
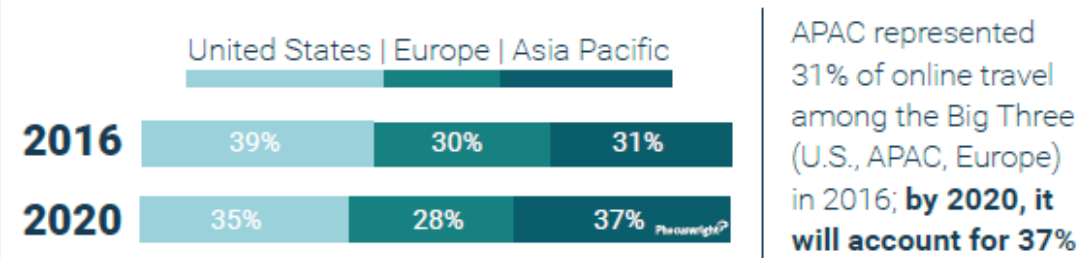
Consumers

Much of the growth in the travel sector is expected to come from **millennials and younger travelers** that are making experiencing travel a top priority.

Technology

The adoption of **mobile technology in emerging markets** will play a big role in the continued resurgence of the global travel market.

The Big 3:

U.S., Europe, Asia Pacific Online Travel Bookings 2016 vs. 2020

United States | Europe | Asia Pacific

	United States	Europe	Asia Pacific
2016	39%	30%	31%
2020	35%	28%	37%

APAC represented 31% of online travel among the Big Three (U.S., APAC, Europe) in 2016; by 2020, it **will account for 37%**

According to Phocuswright, APAC is positioned to steal market share of online travel bookings from the U.S. and Europe by 2020.

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Airlines are driving digital innovation

Trend Overview
The global airline industry is facing growth challenges, and competition from low-cost carriers is dampening fares. Low fuel prices have also enabled airlines to take more competitive price positions, reducing margins across the board. Online growth has slowed in recent years, but **airlines are showing renewed focus on online distribution and digital retailing** for both business and leisure travelers.

Airlines pushing boundaries

Marketplace
The airline sector is one of the most well-established markets in the travel industry, and it is also the travel industry's most penetrated online segment. The U.S. and European markets are reaching a saturation point.

By the end of 2017, **half of Europe's air bookings will be online**, while the U.S. is approaching 60%. APAC remains underpenetrated but is gaining fast. Half of all air bookings are projected to be online by 2020.
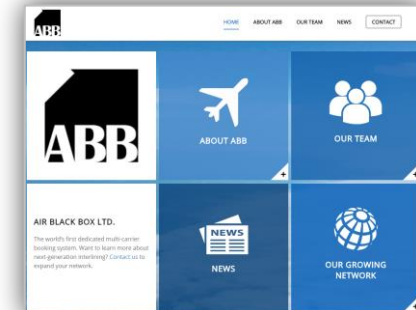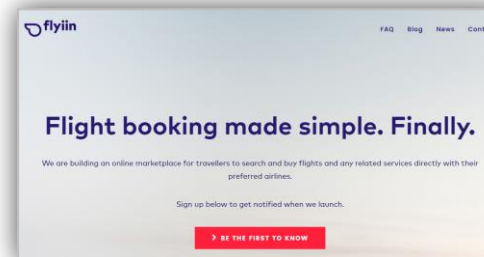
Consumers
Consumer online shopping habits are driving the adoption of digital innovation in the airline category. **Travelers are looking to find the best deals in the most convenient ways.** Companies that want to win must harness emerging platforms and tools that make consumers more likely to work with them.

Technology
Open source **New Distribution Capability (NDC) projects** will begin to have an impact on flight merchandising, and help make bookings via messaging platforms more convenient.

Products from start-ups such as **Flyiin**, which enables cross-carrier comparison of bundled products, and **Air Black Box**, which helps carriers to sell each other's ancillaries on multi-carrier itineraries, are still in the early stages and cannot offer fliers much without the cooperation of a critical mass of airlines.

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Hotels face mounting online challenges

Trend Overview

Hotels face more pressure

The hotel industry is being challenged from all sides. It is becoming harder for them to maintain robust direct distribution with the growth of OTAs and metasearch sites. It is also growing more difficult to counter competition from private accommodation organisations like HomeAway and Airbnb. This trend will continue to put pressure on the hotel industry, especially as millennials show a preference for online intermediaries.

Marketplace

While both OTAs and suppliers seek to grow online bookings, hotel distribution remains a primarily offline phenomenon. In 2016, **70% of global hotel bookings were transacted offline** – through traditional agents and hotels' call centers and front desks. **OTAs surpassed supplier websites/apps in U.S. online booking share for the first time ever in 2016**, thanks to marketing spend, mobile prowess and millennial preferences for online intermediaries.
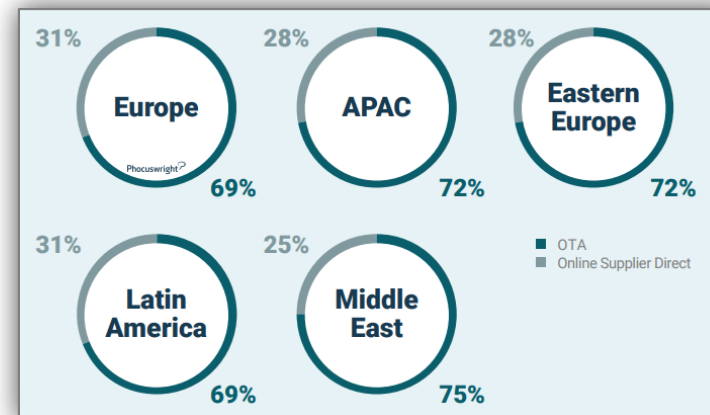
Consumers

Millennial travelers show a preference for using online intermediaries to shop for hotel rooms. Hotel chains are attempting to attract direct bookings through members-only rates – a way to avoid violating rate parity and attract more guests to hotel loyalty programs.

Technology

OTAs are clearly the leaders in online distribution when looking at the fragmented hotel industry. While hotel chains will make gains in some regions, trends point toward continued strength for intermediaries. The growth of mobile favors OTAs, which provide a one-stop-travel shop and attractive bundled deals. **OTA performance will continue to improve in countries in the Middle East and Asia-Pacific with high shares of young travelers.**

OTAs account for the majority of hotel bookings across every major region.

Sources:
"2017 Phocus Forward: A Year Ahead in Digital Travel," Phocuswright.
"Why do travelers prefer booking with OTAs," Travel Tripper, 2016.

"Shared economy" enters mainstream

Trend Overview

"Shared economy" enters mainstream

Private accommodations are hitting the mainstream, shaking up traveler expectations and posing new challenges for suppliers and OTAs alike. U.S. private accommodation gross bookings are estimated to reach $34.4 billion in 2017, or 18% of total hotel, lodging and private accommodation (HLPA) gross bookings. **In 2016, 66% of U.S. travelers considered renting for last leisure hotel stay**.

Marketplace

Analysts forecast the global vacation rental market to grow at a **CAGR of more than 7% over the next five years**. This growth is being driven by the rise of the sharing economy, expansion of online distribution, and increase in investments in vacation rental homes. **Growth is particularly strong in the U.S. and European markets.**

Consumers

Consumers have embraced the Airbnb business model wholeheartedly. Younger travelers are particularly open to considering renting an "alternative accommodation" rather than going to book directly through an OTA or hotel chain supplier.

Technology

Alternative accommodation sites like Airbnb & HomeAway **leverage "User Generated Content" to flood the market with listings**. On top of that, these upstart companies are **now looking to expand into other parts of the travel sector**. For instance, Airbnb has started to advertise city-specific activities led by locals, and has floated the idea of helping manage flights for travelers.
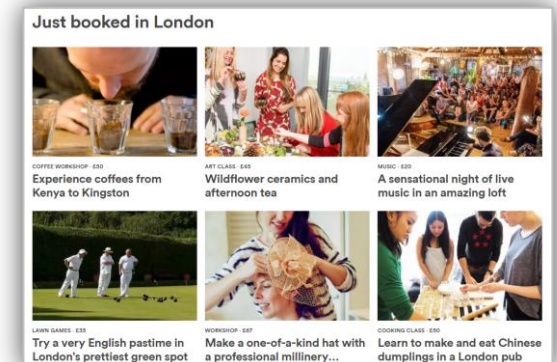
Sources:
"2017 Phocus Forward: A Year Ahead in Digital Travel," Phocuswright.
"Travel and Hospitality Industry Outlook 2017," Deloitte.
Airbnb company website.
"Global Vacation Rental Market to be Worth $194 Billion by 2021," Technavio.

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The traditional sales funnel is shifting

Trend Overview

Online travel was once clearly segmented, and companies controlled elements of the "Search", "Shop" or "Book" journey. Now, companies look to control positions up and down the travel industry's digital funnel, and **barriers between these segments are breaking down**. Booking companies are acquiring search companies, while search companies are launching booking, and **all brands are trying to stay competitive.**

Changing sales funnel

Marketplace

Companies up and down the travel funnel are looking for ways to gain market share:

- **Priceline** acquires search site Kayak (2012).
- **Expedia** acquires search site Trivago (2012) and HomeAway (2015).
- Chinese OTA **Ctrip** acquires Skyscanner (2016).
- **TripAdvisor** is pushing to offer bookings, but has been met with major challenges.

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Consumers

Consumers want **personalisation, convenience and flexibility** in the shopping process. As brands are consolidated through acquisitions and strategic partnerships, consumers may see a more seamless experience develop.

Technology

New technological developments will continue to disrupt the market as brands look for ways to drive traffic from the research and search phase to the buy point as quickly and efficiently as possible.

Search

Shop

Buy

Traditional segments within the online travel sales funnel (above) has blended together as companies attempt to gain market share across various points of the journey.

Sources:
"2017 Phocus Forward: A Year Ahead in Digital Travel," Phocuswright.
"Travel and Hospitality Industry Outlook 2017," Deloitte.
"Ctrip acquires Skyscanner for $1.7 Billion to expand bookings," Bloomberg.

China is driving smartphone growth

Rise of China as global powerhouse

Trend Overview
The APAC region represents several large growth opportunities, and China is biggest. China is the second-largest travel market in the world (behind the U.S.), and it is positioned to become **APAC's most highly penetrated online market in 2017**.
Growth is being driven by consumer comfort with smartphone purchasing and a hypercompetitive OTA environment offering steep discounts for **app-based bookings**.

Marketplace
Chinese travelers venturing abroad **spent $261 billion on foreign travel in 2016**, a 12% increase over 2015, representing a new record for global outbound tourist spending. **Chinese tourists spent more than any other country's outbound travelers last year** and are already the largest outbound travel market with some 135 million Chinese traveling outside China last year.
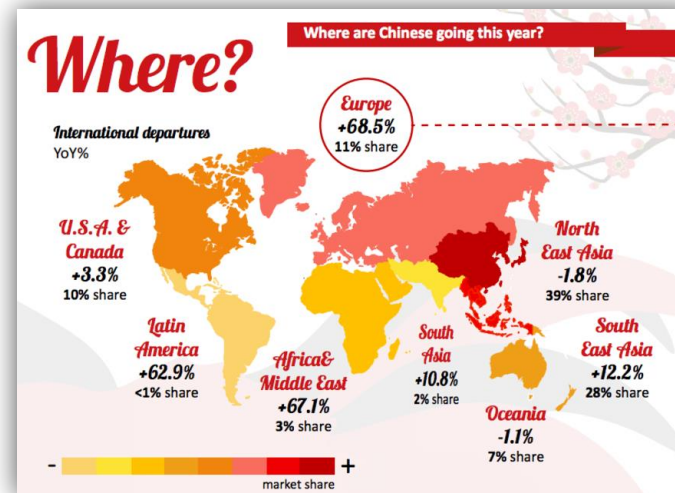
Consumers
Consumers in China are very comfortable with smartphone purchasing in comparison to other consumers in Europe and the U.S. General consumer comfort with mobile is powering mobile's growth in the travel sector in China. **Chinese consumers are also becoming more open to travel in Europe, after several years of slowdown after terrorism concerns.**

Technology
China leads all markets in mobile booking, and is set to become the first true leapfrog market: **As of 2017, 60% of the country's online bookings are made on a mobile device**. In contrast, France and Germany lag in mobile bookings. Just 20% and 24% of the countries' online bookings, respectively, are being transacted via mobile.

Chinese Flight Bookings Growth For Chinese New Year Holiday in 2017 (January 28)

Where?

Where are Chinese going this year?

International departures YoY%

Europe +68.5% 11% share

U.S.A. & Canada +3.3% 10% share

North East Asia -1.8% 39% share

Latin America +62.9% <1% share

Africa & Middle East +67.1% 3% share

South Asia +10.8% 2% share

South East Asia +12.2% 28% share

Oceania -1.1% 7% share

market share

Visit Finland

Sources:
"China leads mobile travel bookings," Phocuswright, 2016.
"2017 Phocus Forward: A Year Ahead in Digital Travel," Phocuswright.
"Chinese Travelers Set a New Record for Global Tourism Spending in 2016," Skift, 2017.
"Europe Bounces Back as Top Destination for Chinese Travelers After Volatile Year," Skift 2017.
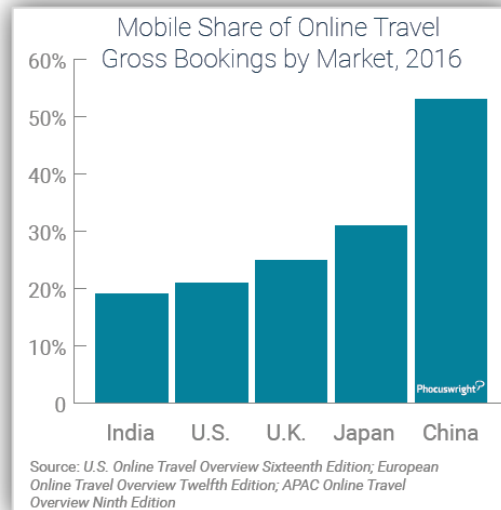
Growth of mobile and chat

Trend Overview
Mobile will continue to increase in popularity for travelers, especially in China, but desktop booking still dominates as the main digital mode of travel research and purchasing. **Younger travelers researching and booking trips for the first time will drive the trend** towards more mobile and smartphone usage. **Messaging, voice search and artificial intelligence (A.I.)** will also drive a new way of mobile innovation in the travel sector.

Growth of mobile & chat

Marketplace
Mobile now represents between 20-30% of sales booked through travel websites online, but that figure is driven higher by rapid growth in China and Europe.

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Mobile Share of Online Travel Gross Bookings by Market, 2016

India, U.S., U.K., Japan, China

Source: U.S. Online Travel Overview Sixteenth Edition; European Online Travel Overview Twelfth Edition; APAC Online Travel Overview Ninth Edition
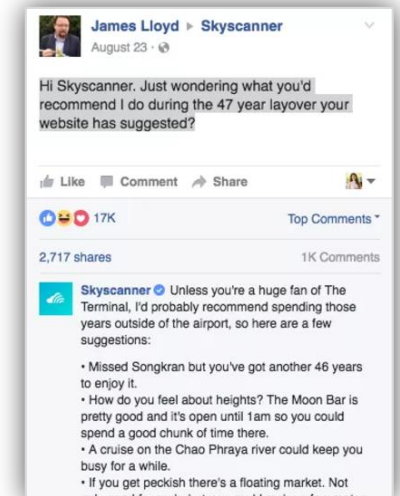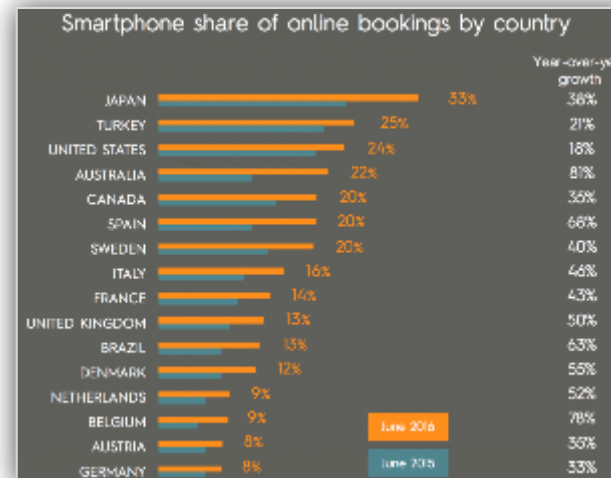
Consumers
Younger consumers will drive the growth of mobile and chat within the travel sector, just as they are doing across all industries. While these demographic trends will drive a large part of mobile growth, travel providers are also searching for ways to push mobile bookings forward by improving the mobile experience through chat and artificial intelligence (A.I.).

Technology
Young travelers are **adopting chat and voice tools** as the new traveler medium. Mobile messaging apps have become the fastest growing way for travelers to share trip experiences. **Chat powered customer service** is also becoming integral to travel planning, as companies are looking for ways to delight their customers.

James Lloyd ▶ Skyscanner
August 23

Hi Skyscanner. Just wondering what you'd recommend I do during the 47 year layover your website has suggested?

👍 Like   💬 Comment   ➤ Share

😮😆❤ 17K   Top Comments
2,717 shares   1K Comments

Skyscanner ✓ Unless you're a huge fan of The Terminal, I'd probably recommend spending those years outside of the airport, so here are a few suggestions:

• Missed Songkran but you've got another 46 years to enjoy it.
• How do you feel about heights? The Moon Bar is pretty good and it's open until 1am so you could spend a good chunk of time there.
• A cruise on the Chao Phraya river could keep you busy for a while.
• If you get peckish there's a floating market. Not

Smartphone share of online bookings by country

Country	Share	Year-over-year growth
JAPAN	33%	36%
TURKEY	25%	21%
UNITED STATES	24%	18%
AUSTRALIA	22%	81%
CANADA	20%	35%
SPAIN	20%	66%
SWEDEN	20%	40%
ITALY	16%	46%
FRANCE	14%	43%
UNITED KINGDOM	13%	50%
BRAZIL	13%	63%
DENMARK	12%	55%
NETHERLANDS	9%	52%
BELGIUM	9%	78%
AUSTRIA	8%	35%
GERMANY	8%	33%

June 2016 / June 2015

Travel app Skyscanner's social customer service response goes viral on Facebook.

Sources:
"2017 Phocus Forward: A Year Ahead in Digital Travel," Phocuswright.
"Growth of Mobile Travel Bookings in 6 Charts," Skift, 2017.
"Travel app Skyscanner's social customer service response goes viral," Digiday, 2017.

In-destination innovation

'In-destination' innovation

Trend Overview
The travel activities sector is incredibly fragmented, but **new start-ups are coming to market with tools designed to help travel providers and tour operators** to manage the back-end of their businesses. This shift comes with the growing trend that travelers are looking to **book travel activities online through mobile devices while in-destination.** There is currently a big industry push to support in-destination activities.

Marketplace
The travel activities space is one of the largest segments of the travel sector that has **yet to be penetrated by technology and cornered by larger suppliers and OTAs.** Travel activities represent an enormous market opportunity for businesses across all regions, and demand is not expected to decrease any time soon. **In the U.S., the activities space represents $29 Billion annually, in Europe it represents £37 Billion, and in APAC the number soars to $46 Billion.**

Consumers
Travelers are looking to their mobile devices to search for activities to do while "in-destination". According to Phocuswright, **60% of U.S. online travelers who own a smartphone said they researched local activities on their phones** before making a plan or booking an activity in 2015, and **24% booked in-destination activities by smartphone in 2016.**

Technology
Start-ups are catering to local travel companies around the world more and more. Travel suppliers in the activities space (traditionally seen as low-tech) are now able to access an array of affordable software as a service (SaaS) solutions designed to help them better connect with customers around the world.

Percent of Travelers Who Booked Their Activity "In-Destination" (Last Trip)

Category	Percent
Dining out	~87%
Outdoor activity	~80%
Cultural activity	~79%
Tour or excursion	~75%
Theme park	~64%
Ticketed event	~60%

Base: Online travelers (U.S.: N=1,003; U.K.: N=1,008; France: N=1,007; Germany: N=1,007; Australia: N=1,011; Brazil: N=1,000; Russia: N=995; China: N=1,014)
Source: *The In-Destination Experience, August 2015*

Nearly four out of five online travelers booked some kind of activity "in-destination" during their last trip.

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Sources:
"2017 Phocus Forward: A Year Ahead in Digital Travel," Phocuswright.
"5 New Travel Startups Saying Hello to 2017 With Some Momentum," Skift, 2017.

Country Profiles

United Kingdom

Key Points

- Over half of Brits between the ages of 25 and 54 purchased vacation accommodation online in 2017.

- Brits are more likely than the average European traveller to use OTAs for inspiration (54% vs. 44%).

- 21% of Brits report using social media for travel inspiration, 15% report reading travel blogs for the same purpose.

- The younger generation (18-24 yrs.) turns even more to online inspiration, with 40% using social media and 33% reading blogs.

UK – Country Overview

Overview
The United Kingdom is the third largest economy in Europe after Germany and France.

Key Travel Drivers
- **Young Brits have embraced digital travel channels wholeheartedly.**
- **Major global travel channels remain the key influencers** of travel decisions in Britain.
- **UK residents spent 731 million nights abroad in 2016**, a 7% increase from 2015.
- **The average length of stay has remained constant since 2011 at about 10 nights.**
- Overall, **75% of visits were to EU countries**, compared with 73% in 2015.

Key Facts & Figures	
GDP	$2.788 trillion (2016 est.)
GDP Growth	1.8% (2016 est.)
Outbound Travel	70,800,000 trips (2016)
Total Outbound Expenditures	£43.8 Billion (2016)
Average Expenditure Per Trip (Outbound)	£1,077 outside EU (2016) £484 in the EU (2016)
Average Expenditure Per Night (Outbound)	£51/per day in **US** (2016) £60/per day in **EU** (2016)
Population	64,430,428 (July 2016 est.)
Median Age	40.5 years
Population Growth	Increasing 0.53% (2016 est.)
Per Capita GDP	$42,500 (2016 est.)

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UK – Digital Travel Landscape

Online and personal recommendations drive decisions

Brits rely heavily on digital channels when planning and booking travel. According to the European Commission, over half (51%) of UK travelers rank websites as one of the most important information sources when making a decision about travel plans.

Personal recommendations and website reviews are <u>more important</u> to travel decisions...

- **Recommendations from friends, colleagues or relatives rank highest** in importance when making a decision about travel plans, with 61% of respondents stating it was one of the most important sources of information.

- Websites that provide **reviews and comments from fellow travellers** are considered very important to UK travellers, with 42% stating they are one of the most important sources of information for making travel plans.

Social media and corporate websites are <u>less important</u> to travel decisions...

- **Only 18% of respondents rank social media sites** as one of the most important sources of information for decision making.

- **Less than one in five (17%) respondents rank websites run by a service provider or a destination** as one of the most important sources for decision making.

Which of the following information sources do you think are <u>most important</u> when you make a decision about travel plans?

Most important travel information sources in the United Kingdom (UK) in 2015
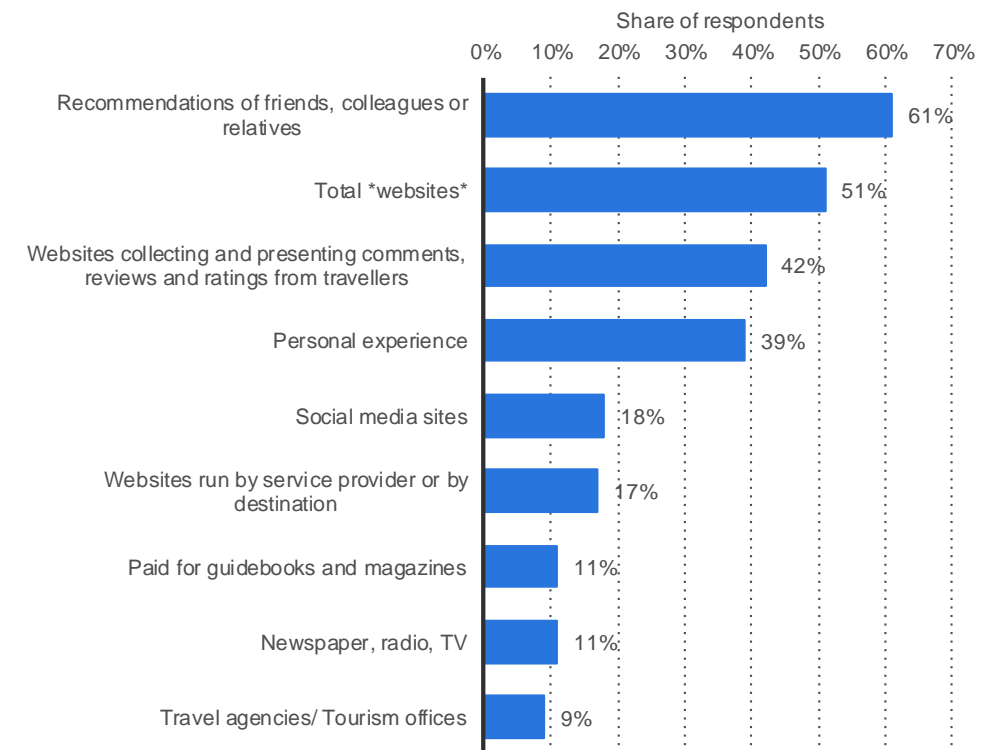
Share of respondents

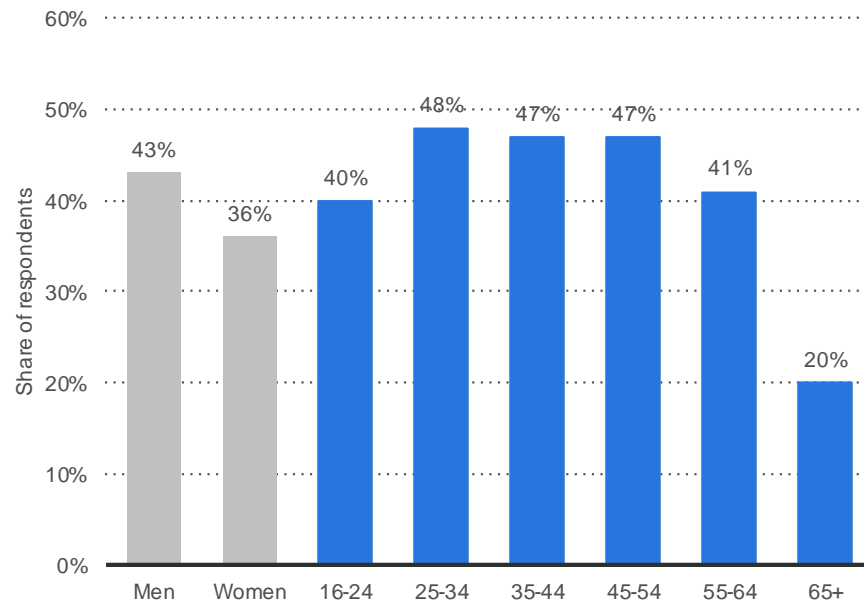| Source	Share
Recommendations of friends, colleagues or relatives	61%
Total *websites*	51%
Websites collecting and presenting comments, reviews and ratings from travellers	42%
Personal experience	39%
Social media sites	18%
Websites run by service provider or by destination	17%
Paid for guidebooks and magazines	11%
Newspaper, radio, TV	11%
Travel agencies/ Tourism offices	9%

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UK – Digital Travel Landscape

Generational and gender differences in online travel habits

Men are more likely to use online travel services and purchase vacation accommodation online. Nearly half of those between the ages of 25 and 54 have used online travel services.

Share of individuals who <u>used online services related to travel arrangements</u> in Great Britain in 2017, by age and gender*

Travel arrangements: Online purchasing in Great Britain 2017, by demographic

Share of individuals who <u>purchased vacation accommodation online</u> in Great Britain in 2017, by age and gender

Vacation accommodation: Online purchasing in Great Britain 2017, by demographic
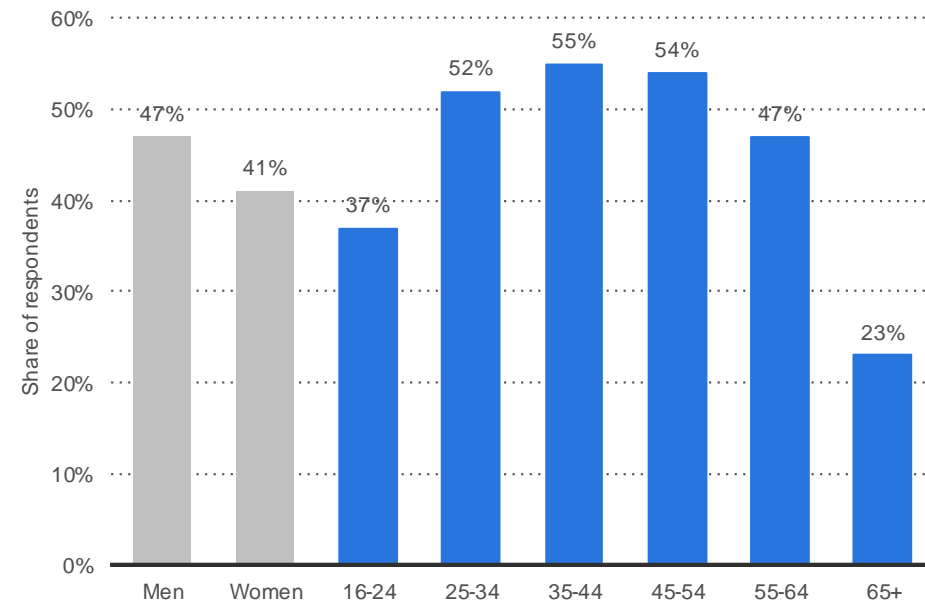
UK – Digital Travel Landscape

The gap between researching and booking is shrinking

More UK travellers are willing to research AND book travel plans online than they were 5 years ago. That being said, the pathway to purchase for many customers is becoming more complex.

- **Over three quarters (77%) of UK respondents said they <u>used online review sites in 2017</u>** when deciding where to go on holiday. (BDRC)

- **More than three quarters (76%) of respondents <u>booked a holiday online</u> in 2016**, while a fifth (19%) booked a holiday in-store and a similar figure booked by phone (21%). (ABTA)

- When asked which marketing channels they use for holiday inspiration, **60% of respondents said they engaged with up to 8 marketing touchpoints**, including paid search ads, holiday brochures, brand website, travel review sites and social media. (Media Hawk)

How often do you use online review sites when deciding where to go on holiday?

Frequency of travel review site use in the United Kingdom (UK) 2016-2017
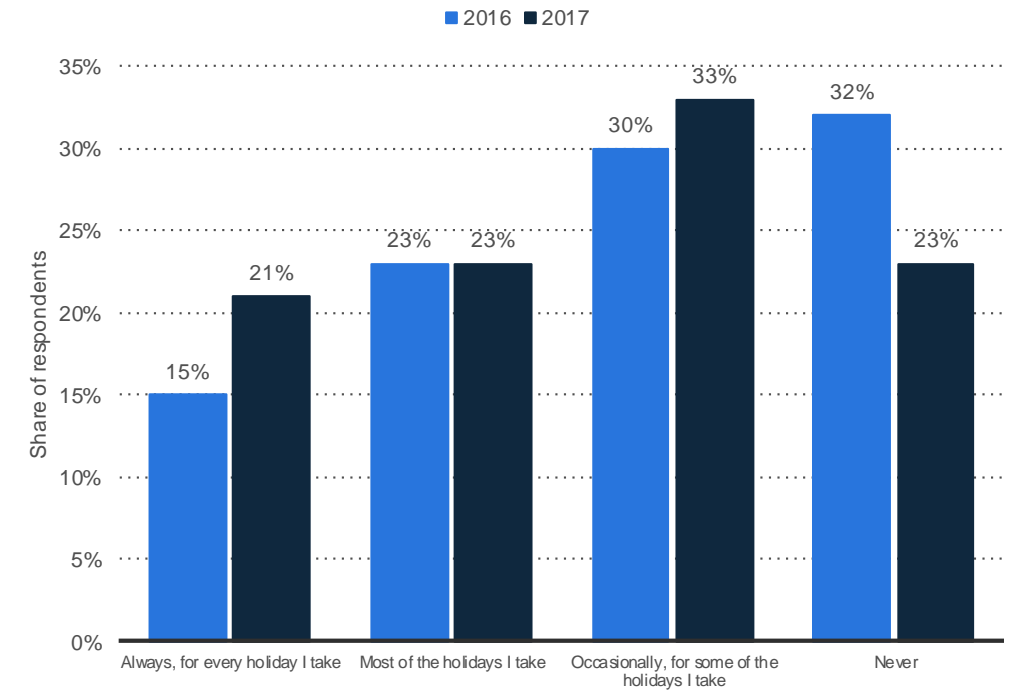
Legend: ■ 2016 ■ 2017

Y-axis: Share of respondents (0% – 35%)

Category	2016	2017
Always, for every holiday I take	15%	21%
Most of the holidays I take	23%	23%
Occasionally, for some of the holidays I take	30%	33%
Never	32%	23%

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UK – Digital Travel Landscape

Who did you book your travel with?

According to the ABTA, UK travellers report being slightly more likely to book outbound travel from the UK through travel agents than through online platforms.

Methods used to book outbound holiday travel from the United Kingdom (UK) in 2016
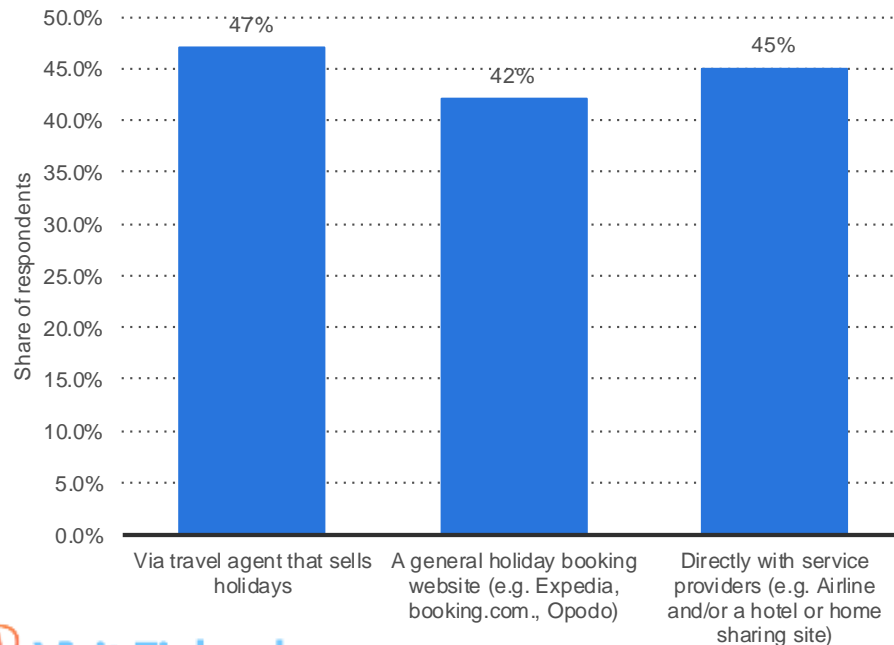
Different needs for families and older travelers

Millennials & Gen X are more likely than others to book in-person

- **Young families with children under five and people from the most affluent households are the groups most likely to book a holiday in-store**, with over a third of both groups choosing this method. (ABTA)

- **Younger people are also more likely than average to book a holiday in-store**, with 25-34 year olds rating significantly above average (29%). (ABTA)

Boomers & Older Travelers make online and phone bookings

- **45-54 year olds and those with older children are the groups most likely to book a holiday online (both 82%)** and these groups are also least likely to book in-store. (ABTA)

- **Among those aged 65+ phone bookings are particularly popular**, with 38% using this channel to book a holiday. (ABTA)

- **52% of the 55+ age group spent more than £1,000 on their last break and were much more likely to book by phone**. For higher-priced breaks, telephone calls were critical to overcome any reservations customers had and to reassure them. (Media Hawk)

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UK – Digital Travel Landscape

Travel *inspiration* has become more digital

- **In 2006, 46% of Brits looked to family, friends and colleagues for travel inspiration**, with 41% looking to printed guide books, or consulting their local travel agent (39%). Only 22% consulted OTAs (online travel agents), 21% checked airline or hotel websites and even fewer relied on social media (10%) or blogs (7%).

- **In 2016, 54% of Brits consulted OTAs, and the number referring to social media (21%) and blogs (15%) more than doubled** compared to ten years before.

- **Local travel agents have seen a sharp decline in popularity, with just 17% of Brits these days opting to use these offline services for travel inspiration**. This is highlighted further when looking at the age split, where the younger generation (18-24 yrs.) turns even more to online inspiration, with **40% using social media and 33% reading blogs**.

- **Brits are more willing to look online as a prime source of gaining travel inspiration these days.** Across Europe, Brits are more likely than the average European traveller to use OTAs for inspiration (54% vs. 44%). When it comes to social media, however, **Russian travellers top the scale, with 47% fuelling their travel dreams via social channels**, possibly due to the fact that social media is the easiest way to get free and valuable information.

Travel *booking* is still mainly done by PC

- **In 2006, Brits preferred to book their trips offline,** with 57% turning to a local travel agent to lock down their travel, while only 35% did so online.

- **In 2016, 79% of British travellers booked their trips online**, with only 19% still using a local travel agent. This sets Brits ahead of the average European traveller in the uptake of online booking, with 29% of Europeans booking online 10 years ago, and 73% choosing this option today.

- Where British travellers turn to online platforms for booking, **the use of OTAs increased from 16% to 50% over the last decade**, with travel search engines also gaining popularity (9% vs. 24%), pointing to a desire to independently search and compare prices.

- UK travelers still prefer to turn to the computer to book their trips, with **77% using a computer rather than a tablet (9%) or smartphone (8%).**

- **Brits may undertake the actual booking activity on a computer, as they see this as a more user friendly and secure method compared to mobile**.

- This indicates that UK travellers are less flexible and spontaneous when it comes to actually booking a trip. In contrast, **younger British travellers have more confidence in booking on their mobile device, with 18% already choosing to make bookings on their smartphone these days**.

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UK – Digital Travel Channels

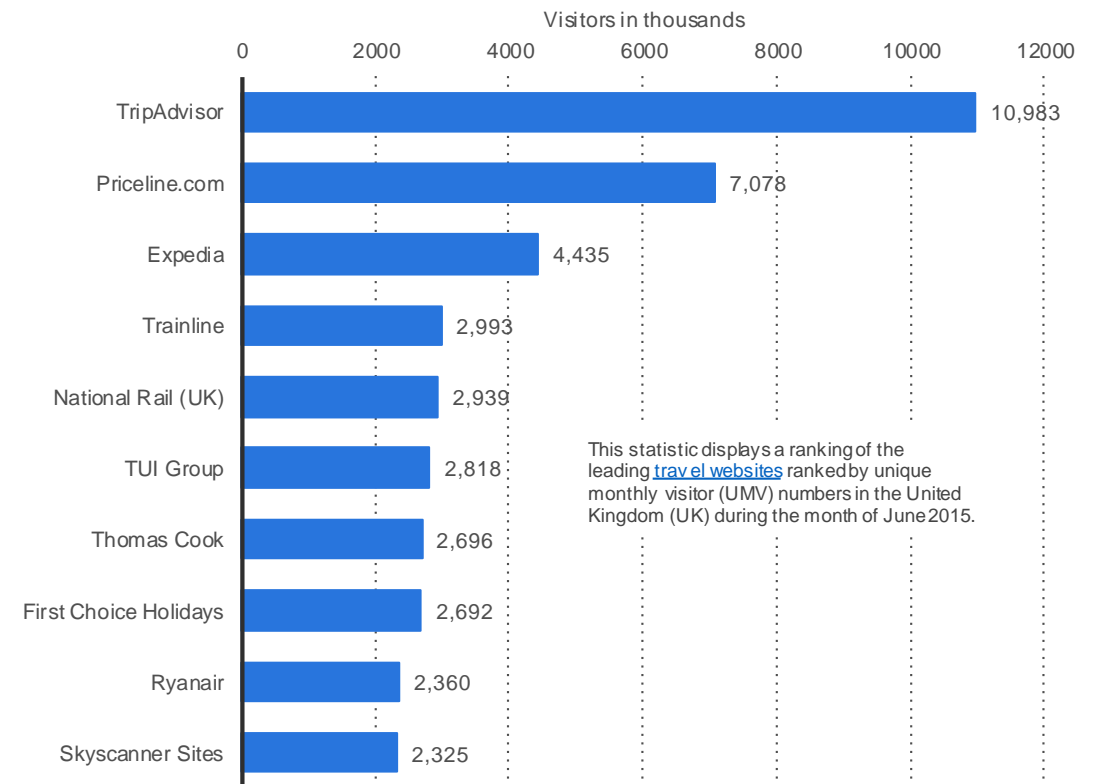## Top UK travel sites offer ratings and price comparisons

TripAdvisor and Priceline rank highest among travel websites by total number of visitors in the UK.

In the top five, 3 fall into the category of online travel agency (OTA) or metasearch site. The remaining two are local train carriers that don't compete directly with price comparison and ratings sites.

Other sites in the top ten include the tour operators TUI Group (owner of Thomson Holidays), Thomas Cook and First Choice Holidays.

Ryanair and Skyscanner rank near the bottom of the list, indicating that websites which provide airfare alone may not be as well visited in the UK as sites that offer a full array of booking options.

Travel websites ranked by visitors in the United Kingdom (UK) as of June 2015 (in 1,000 visitors)

Visitors in thousands

Website	Visitors
TripAdvisor	10,983
Priceline.com	7,078
Expedia	4,435
Trainline	2,993
National Rail (UK)	2,939
TUI Group	2,818
Thomas Cook	2,696
First Choice Holidays	2,692
Ryanair	2,360
Skyscanner Sites	2,325

This statistic displays a ranking of the leading travel websites ranked by unique monthly visitor (UMV) numbers in the United Kingdom (UK) during the month of June 2015.

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UK – Digital Travel Channels

Natural search voice share in the United Kingdom (UK) in January 2016 of top travel-related websites

Thomascook.com, lastminute.com and Thomson.co.uk ranked highest for holiday-related websites. TripAdvisor.co.uk, lastminute.com and expedia.co.uk ranked highest for hotel bookings websites. Skyscanner.net, cheapflights.co.uk and easyjet.com ranked highest for flight booking-related websites.
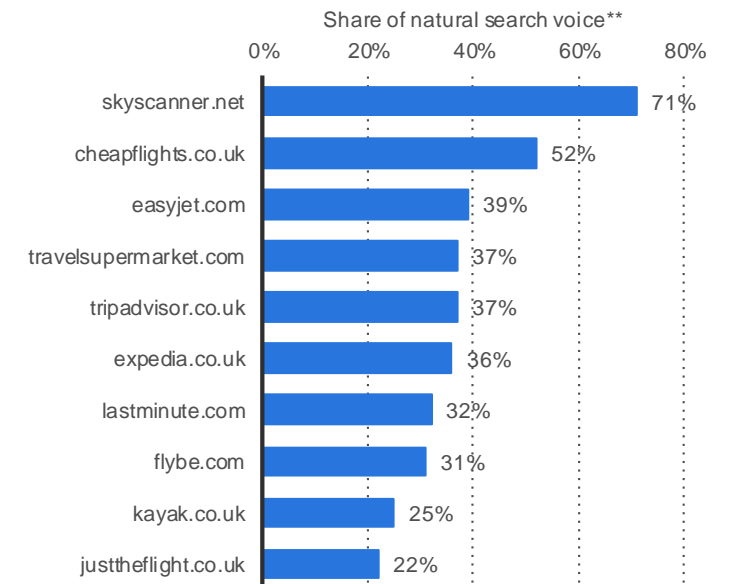
Holiday-related websites
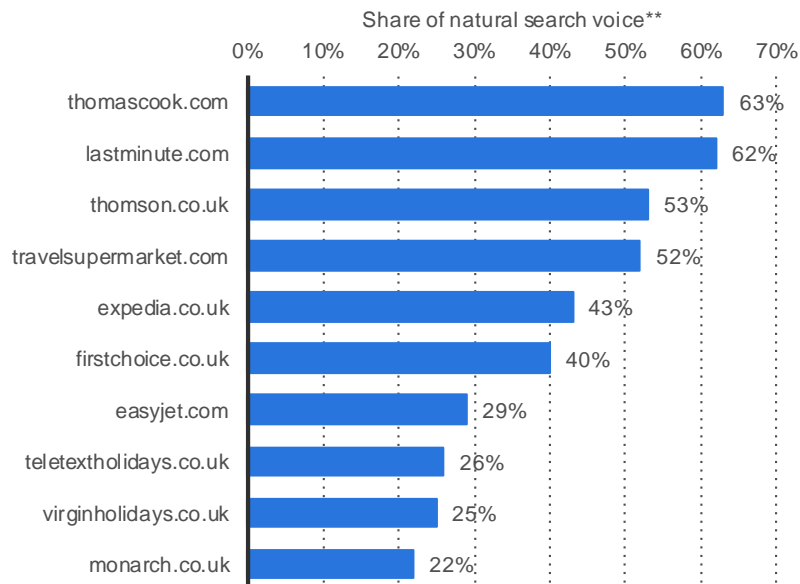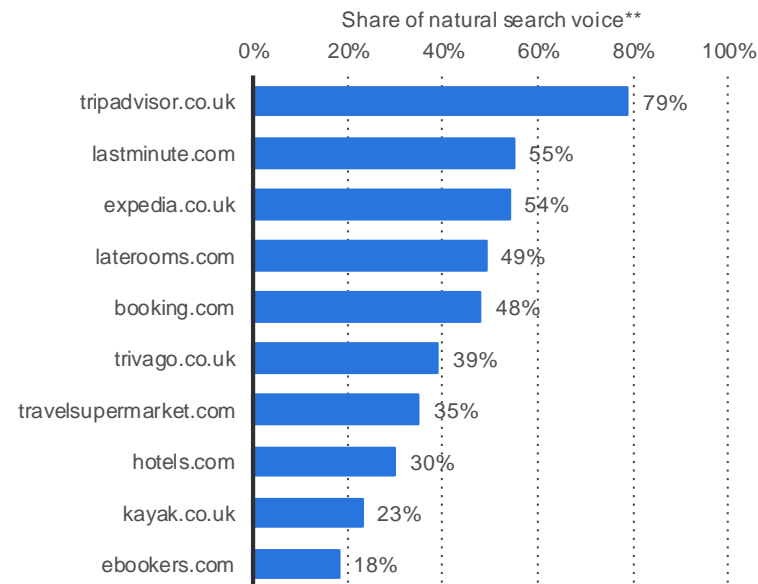
Share of natural search voice**

Website	Share
thomascook.com	63%
lastminute.com	62%
thomson.co.uk	53%
travelsupermarket.com	52%
expedia.co.uk	43%
firstchoice.co.uk	40%
easyjet.com	29%
teletextholidays.co.uk	26%
virginholidays.co.uk	25%
monarch.co.uk	22%

Hotel booking websites

Share of natural search voice**

Website	Share
tripadvisor.co.uk	79%
lastminute.com	55%
expedia.co.uk	54%
laterooms.com	49%
booking.com	48%
trivago.co.uk	39%
travelsupermarket.com	35%
hotels.com	30%
kayak.co.uk	23%
ebookers.com	18%

Flight booking-related websites

Share of natural search voice**

Website	Share
skyscanner.net	71%
cheapflights.co.uk	52%
easyjet.com	39%
travelsupermarket.com	37%
tripadvisor.co.uk	37%
expedia.co.uk	36%
lastminute.com	32%
flybe.com	31%
kayak.co.uk	25%
justtheflight.co.uk	22%

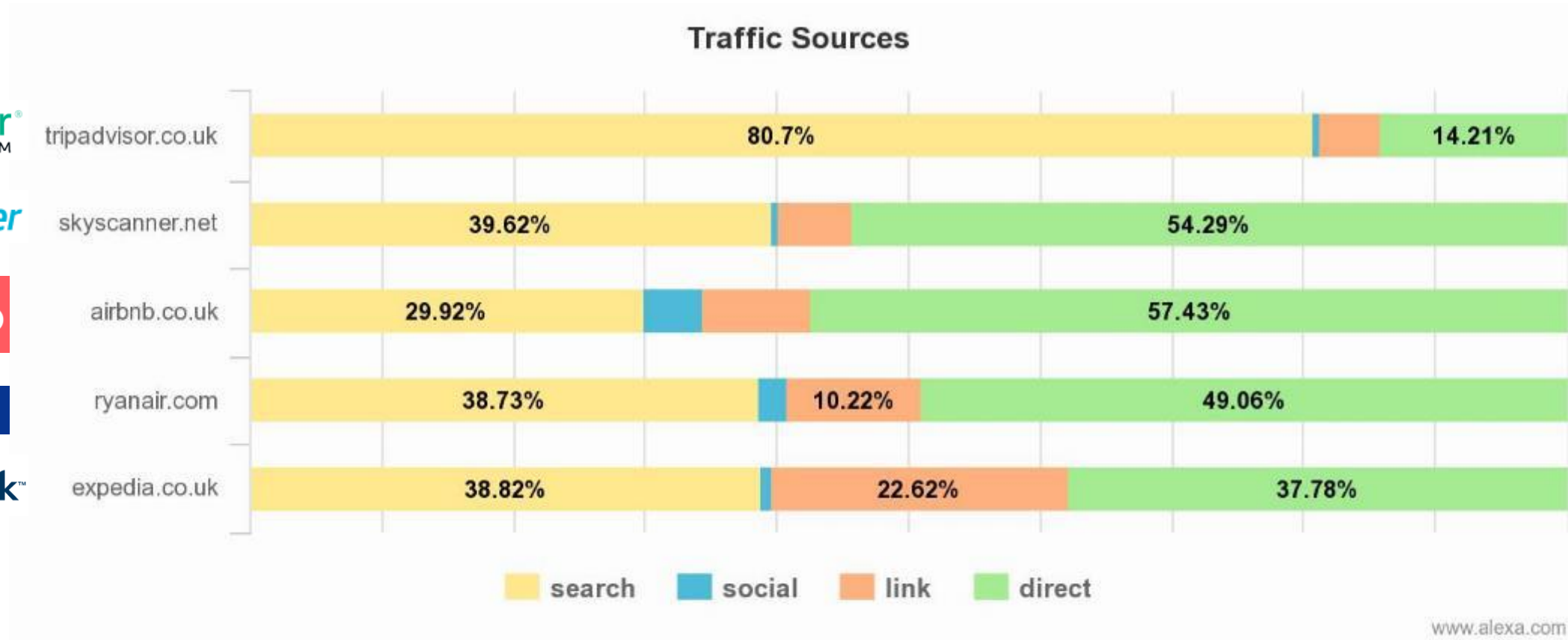Visit Finland

UK – Digital Travel Channels

Site	Monthly Visits* (July 2017)	Web Rank (In Country)	Bounce Rate	Average Time on Page	Top 5 Keywords	Basic Demographics (Relative to general internet population)	Upstream traffic
Tripadvisor.co.uk	50.7M (+18%)	#42	55.3%	3:20 min	1. Tripadvisor 2. Trip advisor 3. Premier inn 4. Restaurants near me 5. Travelodge	• Majority with **graduate education** • Majority **without children** • Over-represented in **USD $30k-$60k income bracket** • Majority between **25-34 years old**	81% of traffic comes from search engines, 41% of people come from google.co.uk. Less than 1% traffic comes from social. Most referral traffic comes from Thomson.co.uk and holiday-pirate.
Skyscanner.net	28.1M (+12%)	#95	24.1%	5:32 min	1. Skyscanner 2. Ryanair 3. Easyjet 4. Flights 5. skyscanner	• Majority **female** • Majority with **graduate education** • Majority **without children** • Over-represented in **USD $0-$60k income bracket** • Majority between **25-34 years old**	39% of traffic comes from search, 13% of people visiting come from google.co.uk. Less than 1% of traffic comes from social. Most referral traffic comes from vacation-bargains.co.uk (27%).
Airbnb.co.uk	13.9M (+19%)	#88	27.4%	9:05 min	1. Airbnb 2. Air bnb 3. Airbnb London 4. Airbnb uk 5. Airbnb amsterdam	• Majority **female** • Over-represented by **25-34 year olds** • Majority with **graduate education** • Majority make between **USD $30k-$60k**	30% of traffic comes from search, 30% of people comes from google.co.uk. Around 4.5% comes from social, with 84% of that from Facebook.
Ryanair.com	52.1M (+10%)	#196	57.1%	4:17 min	1. Ryanair 2. Ryan air 3. Ryanair check in 4. Rayanair 5. Cheap flights	• Majority **female** • Over-represented by **25-34 year olds** • Majority with **graduate education** • Majority make between **USD $0-$60k**	39% of traffic comes from search, 5% of traffic comes from google.co.uk. About 2% comes from social, 78% of which comes from Facebook.
Expedia.co.uk	10.0M (+32%)	#205	35.4%	6:03 min	1. Expedia 2. Currency converter 3. Last minute 4. Lastminute 5. Expedia uk	• Majority **female** • Over-represented by **25-44 year olds** • Majority with **graduate education** • Majority **without children** • Majority make between **USD $30k-$60k**	39% of traffic comes from search, 26% of traffic comes from google.co.uk. Less than 1% comes from social, 47% of which comes from YouTube, 43% from Facebook.

These Digital Selling Platforms represent a selection of the top travel websites in this market. They include websites that fall under the categories of OTA, metasearch, comparison and ratings and supplier sites. Sites were identified through a review of published articles on top travel sites, depth interviews, and further analysis using Alexa and Similar Web where possible.

UK – Digital Travel Channels

Traffic Sources

Site	search	social	link	direct
tripadvisor.co.uk	80.7%			14.21%
skyscanner.net	39.62%			54.29%
airbnb.co.uk	29.92%			57.43%
ryanair.com	38.73%		10.22%	49.06%
expedia.co.uk	38.82%		22.62%	37.78%

search   social   link   direct

www.alexa.com

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These Digital Selling Platforms represent a selection of the top travel websites in this market. They include websites that fall under the categories of OTA, metasearch, comparison and ratings and supplier sites. Sites were identified through a review of published articles on top travel sites, depth interviews, and further analysis using Alexa and Similar Web where possible.

UK – Digital Travel Marketing

Overview

Brits are now saying they have engaged with up to **8 marketing touchpoints**, including paid search ads, holiday brochures, brand website, travel review sites and social media accounts before making a travel decision.

This may in fact underestimate the number of marketing touchpoints, as **Expedia reports that Brits go to travel websites an average of 121 times in the 45 days leading up to booking a trip.**

With ad spend in the sector outstripping growth, and the buying process becoming increasingly complex, travel marketers face a challenge when it comes to attributing value to specific initiatives.

Businesses should be looking to connect with potential customers and travelers across a wide variety of channels. In the UK, this is particularly important for younger audiences. Millennials and those between the ages of 18-24 rely just as heavily on social media and blogs for travel inspiration as on traditional OTAs and travel search engines.

Top UK Travel Blogs

Victoria Brewood – Pommie Travels
With over 48 countries under her belt, Victoria is a full-time blogger and freelance writer, updating her readers with snaps and reviews, as well as essential advice for solo travellers. She has over 22k Twitter followers and is ranked as one of the Top 10 UK Travel Blogs by Vuelio.
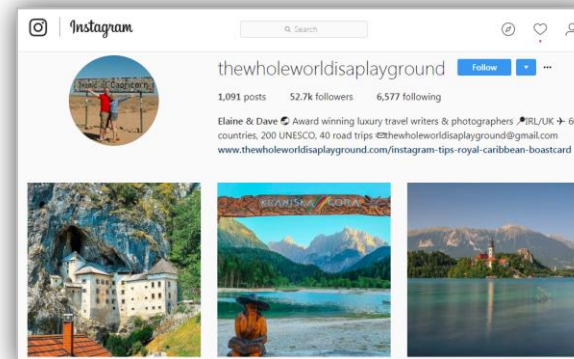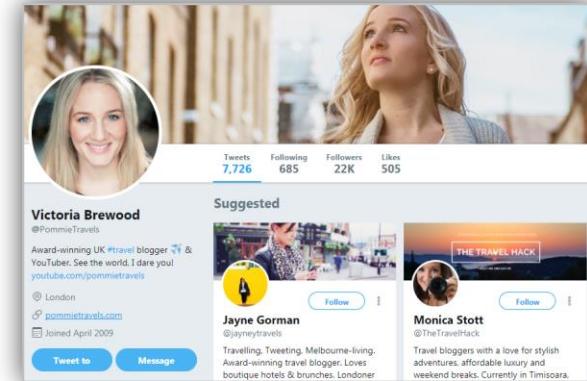
The Whole World is a Playground is authored by couple and travelling companions, Elaine and Dave. With an ambitious goal to visit 15 countries a year, while working full-time in Ireland, they decided to create a travel blog to document all aspects of their travels and to prove that you can explore while chasing a career. 52k followers on Instagram and a Top 10 ranked travel blog by Vuelio.

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UK – Expert Spotlight

Sara Pastor
*Managing Director,
Destination Media, EMEA
ADARA, Inc.*

How would you describe the current state of the travel and tourism industry in the UK?

UK is still one of the biggest and most advanced markets in Europe alongside Germany, France. People travel a lot, and there is a lot of competition for travelers.

What are some emerging trends you see in the travel and tourism space in this market?

Package travel is still important but Brits are switching to individual travel via OTA's. Especially true with the rise of short-haul airlines.

Short-haul airlines are opening more regional hubs: Birmingham, Bristol, and those places get a lot of traffic.

People are more aware of digital options, marketers more aware of digital channels. UK marketers tend to be very advanced in terms of data usage, as seen in ADARA's experience working with Programmatic.

How do people in the UK tend to make travel decisions?

Brits travel to outrun bad weather: beach destinations are popular above all.

Travel tends to be organized far in advance, the perception is that if you miss the sales after Christmas for summer travel, you've missed the boat. In the same way, the end of summer is the best time to plan your Christmas holiday. The third most popular time for Brits to travel is Easter.

Last-minute travel popular with younger, more digital-savvy travelers.

How do these consumers typically research and purchase travel products?

This completely on the type of traveler. Millennials use the internet to search for new things, with an emphasis on experience. They look at online videos, Instagram, social networks, etc. They even outright ask for suggestions from friends and connections through these channels.

Older travelers might ask for recommendations from family through word-of-mouth. Older travelers also look for all-inclusive options from tour operators. TV reports are also an important source of travel research. They use online research sources less frequently.

What types of marketing channels influence travel and tourism behavior in this market?

Video is very inspiring, now distributed mostly through social media. Video tends to be most effective in converting interest into booking. Facebook, Instagram are effective channels for distribution of marketing content, as well as on booking sites.

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UK – Expert Spotlight (continued)

Sara Pastor
Managing Director,
Destination Media, EMEA
ADARA, Inc.

What are the biggest digital travel channels in the UK?

TravelZoo, Secretescapes, Expedia, Booking, Skyscanner, Kayak, Trip Adviser. Package travel sites, e.g. Tui.

What key digital channels are used for purchasing products versus researching travel?

Metasearches for research (SkyScanner, Kayak, Trip Adviser). Booking and Expedia for purchasing.

Why are some channels more successful at attracting customers than others?

Choice is important: package websites make it difficult to compare, individualize. Travelers are likely to use three levels of searching: metasearch, OTA, and individual service provider (airline, hotel chain).

Particular channels can be successful/popular for particular needs/campaigns. (E.g. luxury travelers use different booking methods than adventure travelers.)

How do destination marketing organizations promote themselves effectively? What works well?

Very targeted campaigns that show the organization knows its target audience are most effective. Cosmopolitan travelers tend to be enticed by gastronomy, adventurers by adventure, seasoned travelers by newness and possibility, etc.

For example, Greece has worked hard to attract luxury travelers with specific branding and marketing to the wealthy. The United States has been targeting families, so the timing to book is different (more advanced), and channels for marketing to families are different. Spain is aiming to attract cosmopolitan travelers and has targeted just a few cities in the UK for urban travelers.

It is crucial for the destination country to differentiate itself. Why Finland? Maybe as a stopover for farther travel (on to Asia, etc.). Maybe for some other reason. (Winter travel?) Uniqueness of experience should be the priority. Companies should also look to develop partnerships with airlines, other travel agencies, including OTAs.

What could be done better?

Blanket awareness raising of a destination does not work. Too much competition means that you have to be focused on a key segment to not waste money. Timing is crucial: companies have to capitalize on the early bird bookers. Many travelers in UK still very conservative, for instance they travel to same beach every year. It is useless to target them, instead you have to find the right niche/targeted audience.

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UK – Recommendations

Overview

The UK represents a massive market for travel companies looking to reach new audiences through digital channels. **79% of British travellers booked their trips online**, with only 19% still using a local travel agent. Travel habits of millennials and around research and booking will also drive companies to cater their products towards this younger demographic. The pathway to purchase for UK travelers (especially millennials) is becoming more complex, and companies must look to connect with potential customers across as many touchpoints as possible.

Channel Recommendations

Invest in paid search through Google, Facebook and Instagram to drive search traffic

- Major digital travel channels in the UK still receive most of their traffic from search. A cost affective way of increasing UK traffic to your company or destination is through paid search advertising channels, either Google keyword ads or targeted Facebook ads.
- 40% of UK millennials (18-24 yrs.) get travel inspiration through social media, and 33% through blogs. As this population begins to travel more frequently, it will be important to inspire them through partnerships with blogs and advertisements on social.

Partner with OTAs to promote unique locations and times of year

- In the UK, OTAs compete head to head with suppliers to capture more traffic from potential customers and travelers. Consider partnering with an OTA like Expedia to develop a "Find Yours" campaign for your company or destination.

Partner with niche suppliers and leading tour operators like Airbnb and Thomas Cook

- Focus on building partnerships with niche accommodations providers (i.e. Airbnb) and leading tour operators (i.e. Thomas Cook). Airbnb is incredibly popular in the UK, and it is making a big push to promote location-specific activities and would be looking for unique content. Thomas Cook has few offerings for Finland (only Lapland in Winter), but may be open to expanding.

Germany

Key Points

- **HRS is Germany's major domestic OTA,** competing directly with Booking and Expedia.

- **Online travel booking grew** from 14% of all pre-booked holidays in 2006 to 38% in 2016.

- **Germans still prefer to book holidays face-to-face (41%) to booking online (38%).** 20% prefer to make bookings over the phone.

- **A focus on safety will drive travel decisions** over the next several years.

Germany – Country Overview

Overview

Germany is the **fastest growing** among the G7 states. Europe's largest economy expanded at the fastest rate in five years, showing growth of 1.9% in 2016.

Key Travel Drivers

- **Popularity of OTAs is increasing**, traditional travel agencies are feeling pressured.
- **Average travel time is increasing**.
- **Singles are most likely to spend time abroad**.
- Germans tend to **stay the longest in Scandinavia**.
- **Germans spend an average of 13.1 days on holiday** in another European country.
- **70% of all travel over 5 days was outside of Germany**, the greatest percentage of which (36%) was to countries on the Mediterranean.

Key Facts & Figures	
GDP	$3.5 trillion USD
GDP Growth	1.9% (2016)
Outbound Travel	83,008,000 trips (2014)
Total Outbound Expenditures	€70.5 billion Euro (2013)
Average Expenditure Per Trip (Outbound)	€842 (2013)
Average Expenditure Per Night (Outbound)	€101
Population	80,722,792 (July 2016 est.)
Median Age	46.8 years
Population Growth	Decreasing -0.16% (2016 est.)
Average Gross Salary	€44,400 (2016)

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Germany – Digital Travel Landscape

Travelers still prefer package holidays, but that is changing

Currently the package holiday remains the most important form of holiday organisation and the personal conversation, especially in travel agencies, the most important booking channel. That being said, individual travel is growing in popularity. (FUR; January and February 2017)

"Consumer confidence in digital shopping and payment methods is increasing, which is solidifying Germany's position as a leading online travel market," says Ralph Merten, Phocuswright senior market analyst, Europe. *"However, online penetration in Germany still lags the European average, as many travellers still utilise traditional travel agents to book packaged travel and cruises."* (Phocuswright 2016)

Digital will eventually become mainstream

Germans are using the Internet to research holidays and to make travel bookings more and more in recent years, but there is still a substantial proportion of the population that prefers book travel offline.

In 2016, Germans still preferred to book holidays face-to-face (41%) to booking online (38%). 20% prefer to make bookings over the phone. (FUR; January and February 2017)
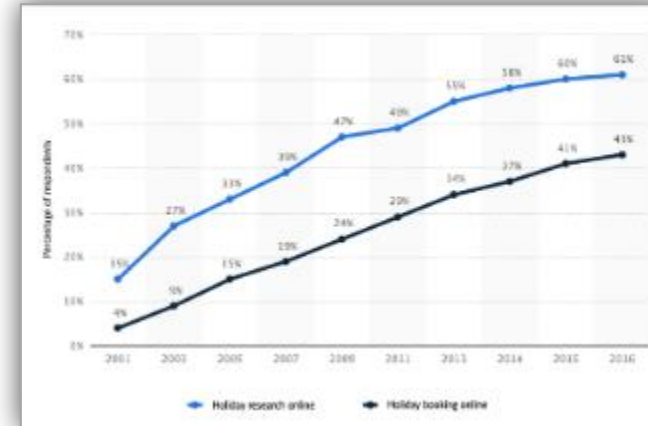
This table shows the results of a survey of the use of the Internet to search for travel related information and to book travel online. In 2016, 43% of the population in Germany had made a travel booking on the Internet.

This table shows the most common ways of booking a hotel among Germans. In 2016, 80% of Germans said they almost always or frequently made hotel reservations online.
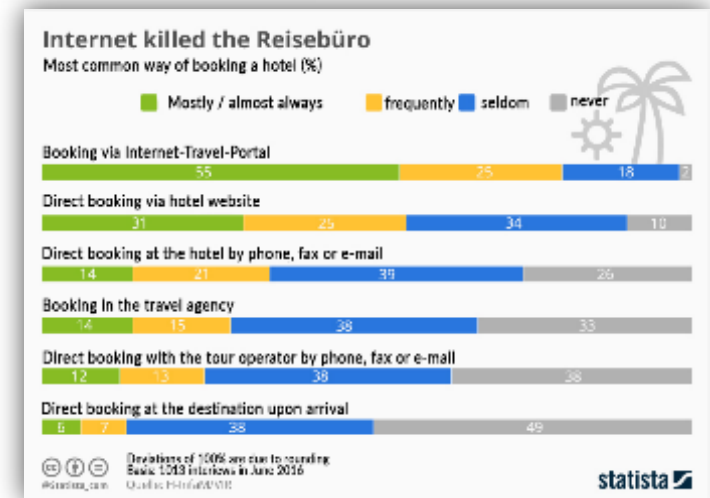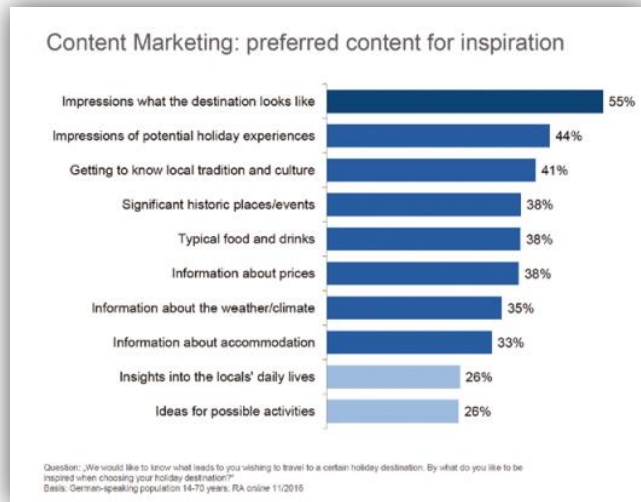
Germany – Digital Travel Landscape

Focus on informative content first

For providers in the tourism industry, the question of how to better reach customers is becoming increasingly important.

Most Germans **prefer informative and serious communication about travel related content**, rather than funny or emotional content. Tourism providers should therefore provide information that gives tourists an impression of what the holiday destination will look like, and what there is to do at the destination.

Content Marketing: preferred content for inspiration

Impressions what the destination looks like	55%
Impressions of potential holiday experiences	44%
Getting to know local tradition and culture	41%
Significant historic places/events	38%
Typical food and drinks	38%
Information about prices	38%
Information about the weather/climate	35%
Information about accommodation	33%
Insights into the locals' daily lives	26%
Ideas for possible activities	26%

Question: „We would like to know what leads to you wishing to travel to a certain holiday destination. By what do you like to be inspired when choosing your holiday destination?"
Basis: German-speaking population 14-70 years; RA online 11/2016

Social Media Kampagne – South African Tourism Board

This social media campaign is unique to digital marketing in the tourism industry in Germany. Why? Quite simply, it takes a lot of courage to go new ways.

The South African Tourism Board and its marketing decision makers demonstrated a far-sightedness in 2015/2016 and wanted to do something new, something that was not yet available in tourism marketing in Germany: a cross-media campaign that fully relied on the power of social media. At the center of the campaign was a campaign page, on which there were always new actions under the hashtag **#DeinSüdafrika**

The results were impressive, more than 10,000 amounts with the Hashtag #DeinSüdafrika were published, more than 2,500 picture uploads on the campaign site and more than 8.8 million campaign range achieved this social media campaign.

Germany – Digital Travel Channels

Largest portal operators drive sales in 2016

The largest digital selling platforms in Germany in turnover are Booking.com, Expedia.de and HRS.de. HRS is an outlier from the group because it competes directly with global OTAs like Booking and Expedia, but it is a domestic German provider.

Sales in the German eTravel market amount to €31,548 million in 2017. According to forecasts, a market volume of € 39,952 million will be achieved in 2021; this corresponds to an annual growth rate of 6.1% (CAGR 2017-2021).

Travel suppliers control more business than OTAs

Travel suppliers controlled 59% of the online travel market in 2016, compared to just 41% for online travel agencies (OTAs). OTAs will lose share to travel providers in the coming years, due to aggressive efforts by suppliers in all segments to drive direct online bookings, as well as pricing policy regulations in the hotel market that favor suppliers. By 2020, OTAs' share of the online market will fall to 38% ("German Online Gross Bookings Soar," Phocuswright 2016).

Ranking of the largest travel portal operators in Germany in the years 2014 to 2016 according to mediated turnover (in millions of euros)
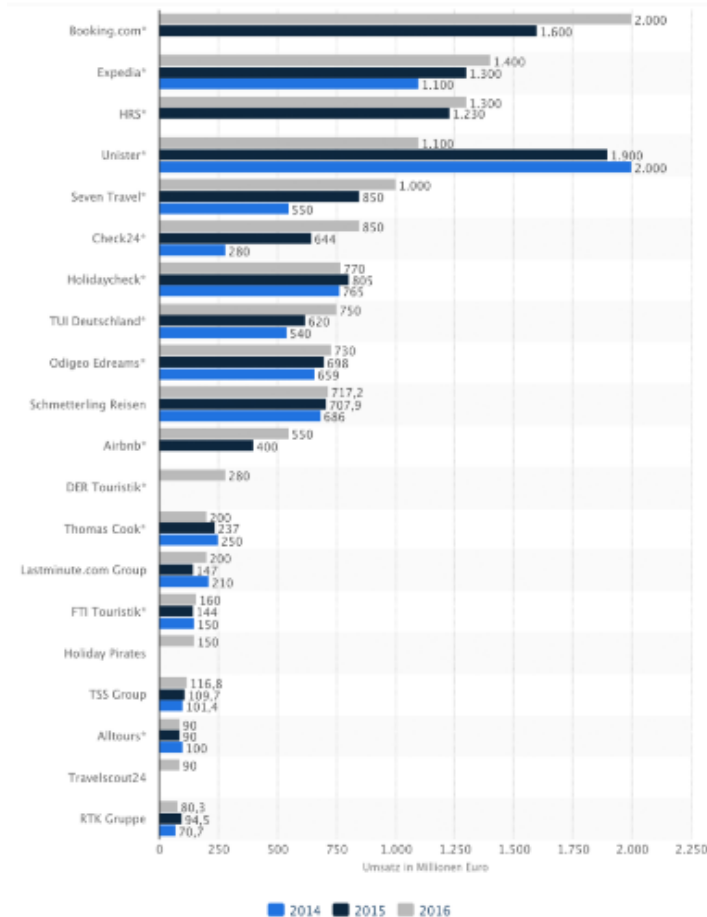
The present statistics show the largest travel portal operators in Germany according to mediated turnover in the years 2014 to 2016. In 2016 Unister (eg ab-in-den-urlaub.de, fluege.de, reisen.de) was estimated as 1.1 Billion euros.

Operator	2014	2015	2016
Booking.com*		1.600	2.000
Expedia*	1.100	1.400	1.300
HRS*	1.230	1.300	
Unister*	2.000	1.900	1.100
Seven Travel*	550	850	1.000
Check24*	280	644	850
Holidaycheck*	765	805	770
TUI Deutschland*	540	620	750
Odigeo Edreams*	659	698	730
Schmetterling Reisen	686	707,9	717,2
Airbnb*	400		550
DER Touristik*			280
Thomas Cook*	250	237	200
Lastminute.com Group	210	147	200
FTI Touristik*	150	144	160
Holiday Pirates			150
TSS Group	101,4	109,7	116,8
Alltours*	100	90	90
Travelscout24			90
RTK Gruppe	70,7	94,5	80,3

Umsatz in Millionen Euro

■ 2014 ■ 2015 ■ 2016
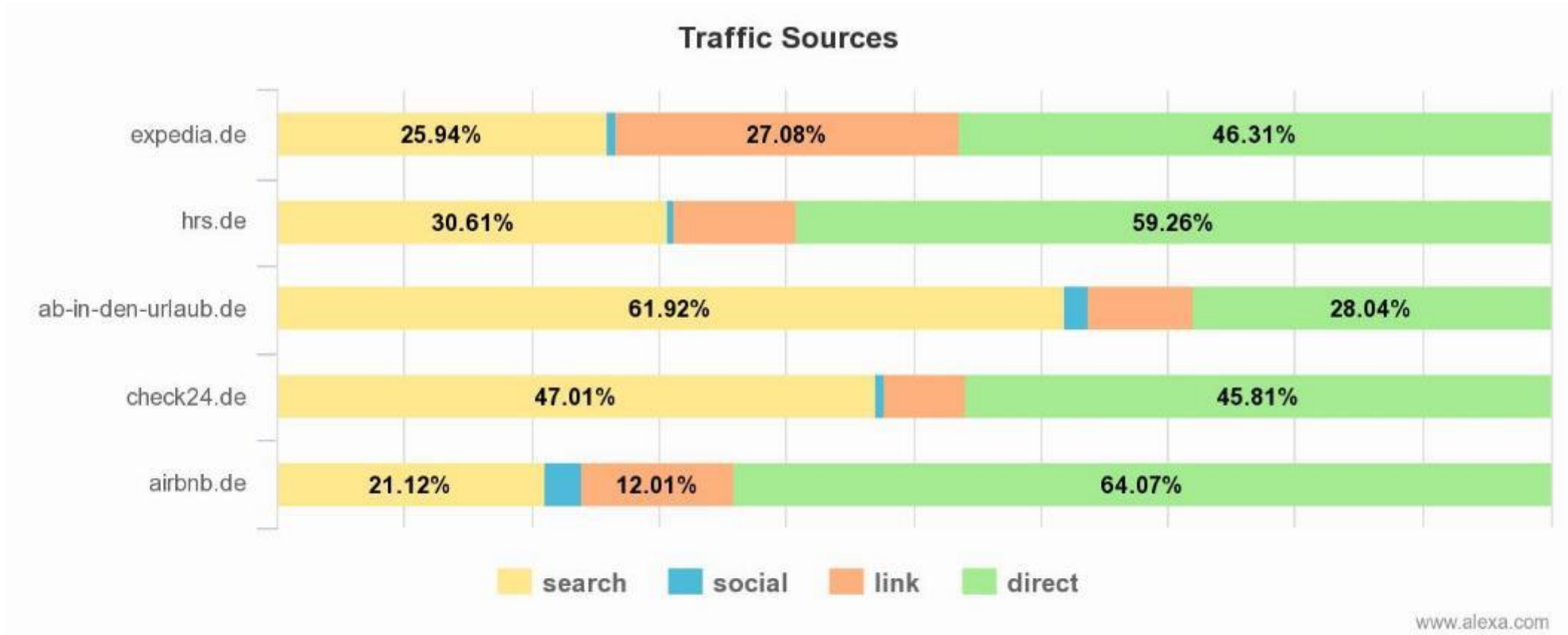
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Germany – Digital Travel Channels

Site	Monthly Visits* (July 2017)	Web Rank (In Country)	Bounce Rate	Average Time on Page	Top 5 Keywords	Basic Demographics	Upstream traffic
expedia.de	4.34M (+10%)	#401	39.0%	5:45 min	1. Expedia 2. Flüge 3. Flug buchen 4. Hotel buchen 5. Billiger mietwagen	• Majority **female** • Majority with **graduate education** • Majority **without children** • High income, over-represented in **USD $60-$100k+ income bracket**	26% of traffic comes from search engines, 24% from google.de. Less than 1% traffic comes from social. Most referral traffic comes from trivago.de and reise-koala.de.
hrs.de	3.14M (+9%)	#719	30.1%	4:41 min	1. hrs 2. hrs deals 3. hrs hotels 4. hrs.de 5. hrs hotel	• Majority **female** • Majority with **graduate education** • **Majority with children** • Tend to make between **USD $30-$60k or USD $100k+**	31% of traffic comes from search, 29.8% of that comes from google.de. Less than 1% traffic comes from social. Most referral traffic comes from bambella.de and holidu.de.
ab-in-den-urlaub.de	3.66M (+11%)	#344	28.2%	9:04 min	1. Ab in den urlaub 2. Urlaub 3. Last minute urlaub 4. Urlaub buchen 5. Abindenurlaub	• Majority **female** • Majority **some or no college** • Over-represented by **45-54 and 65+ year olds** • Majority make between **USD $60-$100k**	62% of traffic comes from search, 42% comes from google.de. Around 2% comes from social, with 84% of that from Facebook.
check24.de	12.4M (+1.2%)	#112	28.4%	7:51 min	1. Check24 2. Check 24 3. Billiger mietwagen 4. Check24 urlaub 5. rechtsschutzvericherung	• Majority **male** • Over-represented by **35-44 and 45-55 year olds** • Majority with **graduate education** • Majority make **USD $30-$60k**	47% of traffic comes from search, 40% of traffic comes from google.de. Less than 1% comes from social, 45% of which comes from Facebook.
airbnb.de	7.77M (+9%)	#174	32.7%	8:39 min	1. airbnb 2. air bnb 3. rbnb 4. airbnb berlin 5. airbnb hamburg	• Over-represented by **35-44 year olds** • Majority with **graduate education** • Majority **without children** • Majority make **USD $30-$60k**	21% of traffic comes from search, 23% of people come to airbnb.de from google.de. 2.8% comes from social, 77% of which comes from Facebook.

These Digital Selling Platforms represent a selection of the top travel websites in this market. They include websites that fall under the categories of OTA, metasearch, comparison and ratings and supplier sites. Sites were identified through a review of published articles on top travel sites, depth interviews, and further analysis using Alexa and Similar Web where possible.

Germany – Digital Travel Channels

Traffic Sources

Website	search	social	link	direct
expedia.de	25.94%		27.08%	46.31%
hrs.de	30.61%			59.26%
ab-in-den-urlaub.de	61.92%			28.04%
check24.de	47.01%			45.81%
airbnb.de	21.12%	12.01%		64.07%

Legend: search, social, link, direct

www.alexa.com

Germany – Digital Travel Marketing

Overview

German travellers are becoming more technologically and digitally savvy, but they **still want personalised travel information**.

61% of Germans say that they have done research into holiday travel online, while only 43% say they have made a booking online.

Top German travel blogs include TravelBook, Reise Reporter and Abenteuer Reisen ("Adventure and travel"), Germany's largest online travel magazine. These types of inspirational publications are more popular for younger populations in Germany, though some older travelers may also look to these publications for inspiration.

The **TRAVELBOOK** editorial team provides exciting reports, service topics, the best tips and photo-dreams for dreaming to help finding the favourite destination and learn all about it. On their travel pages, they provide compiled information on the most important destinations in the world - a digital travel guide with useful facts and tips from the editors.
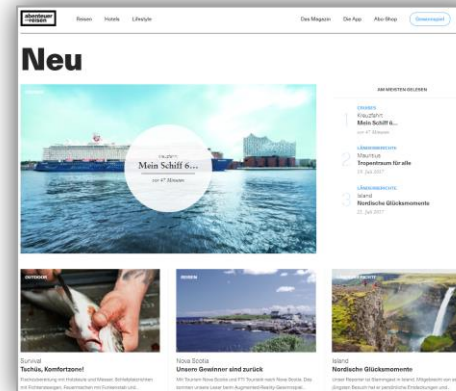
"**Adventure and travel**" is Germany's largest travel magazine with a clear focus on long-distance trips, city tours, lifestyle and outdoor activities. Ten times a year, they publish a report with large travel profiles from all over the world.
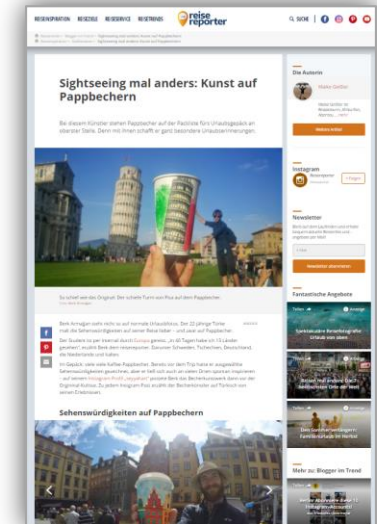
Reise Reporter ("Travel Agent Report") is an online travel guide and provides as well insider tips to inspire and offer you practical travel tips and travel recommendations.

Germany – Expert Spotlight

Tino Kapolka
*HolidayCheck AG
Senior Business
Analyst E-Commerce*

How would you describe the current state of the travel and tourism industry in Germany?

"If you compare the German touristic industry with other industry sectors you'll see that the digitalization is not so advanced yet. A good example is that a lot of the classical package holidays are booked offline in travel agencies. In addition you can consider that the number of travel agencies didn't decrease a lot in past years. **Compared to other industry sectors is the personal consultation very important for the customer.**

Another component, which is not so acute but still important, is safety. If you look at the book pay of turkey you can observe that the number of the bookings decreased a lot compared to 2 or 3 years ago. In general it can be said that people who want to book a classic package holiday like to be advised personal."

What are some emerging trends you see in the travel and tourism space in this market?

"The digital trend started but is still really far from being completed. Individual touristic services such as booking flights or hotels are mostly booked online. Classical package holidays, which families book every year, are mostly booked offline in local travel agencies. A coming trend could be **chat boards** and **voice search.** It's starting that people try and are experimenting to search for trips by voice search. This is not an established trend in the market yet.

Apart from that are relatively simple topics who make problems. **The quality of data is a big theme. The prices and offers are not stabile. So the price is changing and deals get out of stock.** This problem exists for 10 years and we still don't have a solution for that. Accordingly it's easier to go to a travel agency and they do the work for you."

How do people in Germany tend to make travel decisions?

"It's the summation of personal preferences. Firstly people exclude travel destinations in terms of safety and political conditions. They ask themselves 'do I feel save in this country?' and 'how do I deal with the political circumstances over there?' If we take the example Turkey again: Turkey is kind of safe but the people don't want to go there because of the political differences. So the first step is to exclude countries you don't feel comfortable with. After that people set their budget. After the exclusion process people classically focus on their budget. **They try to get the best result out of their own budget. Within this they try to get the most stars hotels, the nicest rooms, preferring direct flights and get a nice location.** So in general people try to get the maximal performance out of their budget. Also, people like to send a mail or go directly to a travel agency and give information how long they want to fly away, if they want to spend their vacation at the beach and which budget they want to spend. According to this the agency gives them a personal offer of vacation variations."

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Germany – Expert Spotlight (continued)

Tino Kapolka
*HolidayCheck AG
Senior Business
Analyst E-Commerce*

What types of marketing channels influence travel and tourism behavior in this market?

"There is a change because of the internet, but it's definitely not that big as how people believe. **This is partly due to technology, because it's hard to show certain points in the online platforms. If a family with two kids want to book two separate rooms, it's mostly not possible for the online portal to do. In addition, customer requirements regarding the baggage (surfboard), flight times or other individual services can not be fulfilled by the online portal.** These points are very difficult to map online and can be perceived more conveniently in travel agencies. The future idea of online bookings is that the customer can say which hotel they want, what kind of a transfer, which additional services and specific luggage need to be transported. After that appears an individualized product with regard to the customer. **Due to the technical possibilities, this can unfortunately not be surveyed yet in the online market.**"

What are the biggest digital travel platforms in Germany?

"If the package tours are taken as a criterion, then it is HolidayCheck, Check24, Ab-in-den-Urlaub, Expedia.de, Opollo.de and Weg.de. **These are the largest travel platforms when it comes to package tours. As soon as it's about booking a hotel or flight, booking.com and expedia.de are the pioneers in my opinion.** What recently also has become a standard, is Airbnb. So everything what has to do with "sharing economy" has become larger. Through this trend you can book a private room instead of booking a hotel room. This is more a substitute for hotels, and less competition for package holidays in summer."

Which key digital channels are used for purchasing products versus researching trips?

"When it comes to information, **Google remains the consumer's starting point**. And then there are quite different websites, as Google's studies also show, that **the consumer is on 15 different platforms before deciding on a trip.** Besides that you can read reviews on Google, view pictures of the surroundings and the hotels and read different descriptions. A larger factor, however, is also the social surrounding. Information and reviews from friends and families can be really influencing. In conclusion it can be said, the pool of information is very scattered. There is no specific medium where you go to get all information."

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Germany – Expert Spotlight (continued)

Tino Kapolka
HolidayCheck AG
Senior Business
Analyst E-Commerce

Why, in your opinion, are some channels more successful at attracting consumers than others?

"**Marketing!** There are online channels like Trivago, which are extremely present. On the other side, "consumer experience" on the website itself is very important. Because of that, customers get back a second or third time on the website.
A parade example is booking.com, which does it very well. The content, the pictures and the descriptions give the customer a good feeling. The consumer can get an idea of everything and even after booking, the customer receives information, which makes them feel very well advised.

After experiences like that, the customer comes back to the platform to book the next trip. When it comes to booking flights, Kayak, Skyscanner and Swoodoo make life easier for the customer. In the search engine, the most favorable variants are shown in comparison and people do not have to look for the most favorable variant on 15 different platforms. For flights, the comparison is, of course, much easier than with complex package tours."

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Germany – Expert Spotlight

Michael Buller
Verband Internet Reisevertriebs eV (VIR) Board Member

How would you describe the current state of the travel and tourism industry in Germany?

"The Germans are still traveling equally well. It has not changed very much. The travel behavior of the Germans has become or has remained fairly stable in recent years. The destination distribution has changed. In the issue of Turkey - Spain, Greece, Portugal and Croatia have profited enormously. Now it is so, that the destinations have become relatively dense, and because it is so favorable in Turkey, some Germans visit Turkey again. "

What are the biggest digital travel platforms in Germany?

"This is depending on the segment. When it comes to the hotel sector, it should be Booking.com and HRS.de. But also Expedia.de would I count. When it comes to package tours, it should be HolidayCheck and Check24."

What are some emerging trends you see in the travel and tourism space in this market?

"Individual travel is becoming more and more popular. This means that customers assemble their own trips. Another trend are cruises in Germany. But there is still the capacity problem and there are more ships built. The Chinese market is quite exciting and is slowly coming to Europe. The Asian portal 'Ctrip' is becoming more and more popular."

What are some emerging trends you see in the travel and tourism space in this market?

"Individual travel is becoming more and more popular. This means that customers assemble their own trips. **Another trend are cruises in Germany. But there is still the capacity problem and there are more ships built.** The Chinese market is quite exciting and is slowly coming to Europe. The Asian portal 'Ctrip' is becoming more and more popular."

How do consumers typically research and purchase travel products?

"90% of all travel starts on the Internet and then it is considered whether they book online or offline. But about 50% of all trips are booked via digital channels. Short trips are mostly booked online and long trips are booked in travel agencies. We are sure that we will overtake the travel agencies this year."

What types of marketing channels influence travel and tourism behavior in this market?

"Just now it's Google. They are now entering the tourism market and makes a big competitions to all other platforms. Most of all because they have more information from the customer than any traditional travel platforms."

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Germany – Expert Spotlight (continued)

Michael Buller
*Verband Internet
Reisevertriebs eV (VIR)
Board Member*

Why, in your opinion, are some channels more successful at attracting consumers than others?

"It always depends on whether they are beneficial to the customer."

Do you have experience with promotional campaigns that focus on marketing specific destinations or product types?

"Yes, Norway, Austria, Sweden and Hamburg."

How do these organizations tend to promote themselves?

"They make an unconscious positive impression on people from other countries, especially when it comes to political or environmental issues. It does not always have to be about travel."

What have you seen that works well?

"Norway is doing very well and is an expert in PR, for example it has left a positive impression in people that they made an announcement that from 2020 only electric cars are allowed."

Which digital channels do these campaigns tend to use most frequently? Why?

"They use social media channels like Instagram, Facebook, travel bloggers of YouTube and classical PR media. So it is a mix of a lot of channels to reach as many people as possible."

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Germany – Recommendations

Overview

Germany's digital travel market is set for growth, though it will be constrained by the continued reluctance to step away from face-to-face booking and brick-and-mortar travel agencies. **Germans still prefer to book holidays face-to-face (41%) to booking online (38%).** 20% prefer to make bookings over the phone. Younger Germans are interested in travelling individually, and many of them are more open to purchasing through the internet and via mobile.

Channel Recommendations

Position products and services to align with German tourists' interest in safety

- Use language and imagery in advertising and marketing that aligns with Germans' interest in safety.

Partner with leading OTA portals HRS, Booking and Expedia to drive the most traffic

- Major OTAs are the key channels driving both research and booking of travel in Germany. Expand your efforts to partner with these portals.

Look to Instagram and social media sites like YouTube to engage with younger Germans

- Social media will be a key area of growth in the travel sector, especially among younger Germans. Partner with thought-leaders and influencers on major social media channels like Snapchat, Instagram and Twitter to increase buzz around your product or service.

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Netherlands

Key Points

- **Booking.com is the** top OTA used by Dutch travelers, **Skyscanner.nl** is the leading search site.

- **TripAdvisor.nl and Zoover.nl** are most used comparison sites driving search traffic among Dutch travelers.

- Accommodation supplier **Airbnb is growing in popularity** among Dutch users, **TUI remains a major player** in the tour market.

- **Over 50% of Dutch travelers book their holidays online**, while only a small percentage (13%) will use a travel agency.

Netherlands – Country Overview

Overview

The Netherlands is the **sixth-largest economy in the European Union**, plays an important role as a European transportation hub, with a persistently high trade surplus and low unemployment.

Key Travel Drivers

- **Dutch travelers mainly book online through OTAs.**
- **Over 80% of the population takes annual holidays.**
- Rest / recreation, sun & beach and visiting friends and relatives are key factors influencing their holiday choice. Nature is also a bigger influence than in many other EU countries.
- Domestic holidays tend to be shorter (over half under 5 days), **outbound holidays tend to be longer (half over 9 days)**
- Younger Dutch travelers are especially interested in **active and adventurous holidays.**
- Dutch travelers show different spending behavior across continents, with a clear preference for total package deals in Africa and 'accommodation only' in Europe.

Key Facts & Figures	
GDP	$870.8 billion (2016 est.)
GDP Growth	2.1% (2016 est.)
Outbound Travel	30,600,000 trips (2016)
Total Outbound Expenditures	€18.4 Billion Euro (2016)
Average Expenditure Per Trip (Outbound)	~ USD $445
Average Expenditure Per Night (Outbound)	~ USD $98
Population	17,016,967 (July 2016 est.)
Median Age	42.5 years
Population Growth	Increasing 0.4% (2016 est.)
Average Gross Salary	$50,800 (2016 est.)

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Netherlands – Digital Travel Landscape

Dutch travelers are digitally savvy

Dutch travelers mainly book online via diverse travel portals, taking into account price and offer differentiations and safety of payment, as well as existence of different payment channels and track-record of the portal/travel/tourism agency.

Dutch travelers **tend to be loyal to a travel agent/tour operator** whom they have collaborated with and **tend to use their websites as a starting point for booking travel online**. They also tend to not stick only to domestic providers but have an open view on the travel/tourist market by being able to identify the exact, mostly tailor-made offer they can find.

Over half of Dutch travelers book their holidays online

The Internet has become the main vehicle for the Dutch to plan and book their holidays. With 89% of Internet penetration, the vast majority of the Dutch population has access to the web and as a result, **over 50% of Dutch travelers book their holidays online.** Only a small percentage (13%) will use a travel agency - usually as a last resort if there's no other option. Reading reviews is also becoming popular among Dutch travelers, with some of the most visited websites being vakantiereiswijzer.nl, vakantieadvies.org and TripAdvisor.

Share of individuals who use the internet for travel and accommodation services in the Netherlands from 2005 to 2016
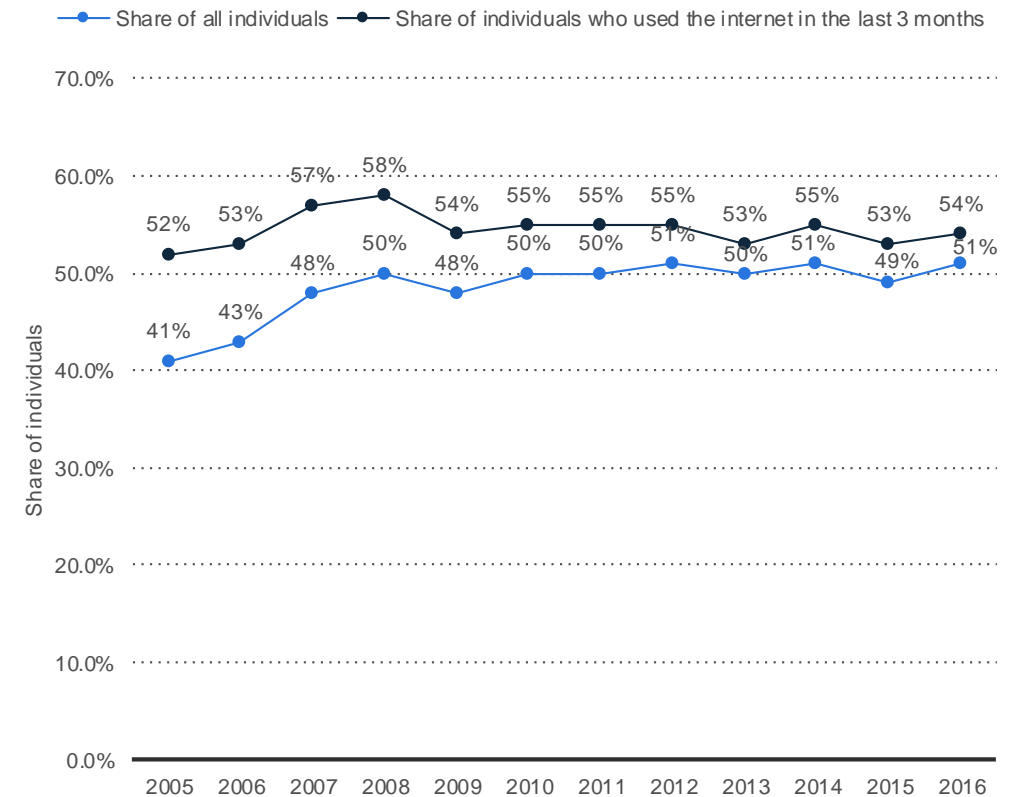
Netherlands – Digital Travel Landscape

Digital payment is a major driver of adoption

The Dutch ecommerce industry was worth 16.1 billion euros in 2016. According to the Ecommerce Foundation, the industry is expected to increase by 12.1 percent to reach 18 billion euros in 2017. Based on the Central Agency for Statistics, online sales in the Netherlands account for about 11% of total retail sales.

The Dutch like to pay with iDEAL, an online payment method developed by the Dutch banking community. Among the other popular online payment methods in the Netherlands are PayPal, MasterCard and VISA. Popular post-payment methods are AfterPay, Acceptgiro (Giro transfer) and Klarna.

How online purchases are paid in the Netherlands

2014 / 2015

iDEAL, Credit card, Direct debit, Giro transfer, PayPal, Acceptgiro, PIN transaction, Gift cards, AfterPay, Other method

Travel & tickets are the largest category in Dutch ecommerce

The most popular product categories in Dutch ecommerce are travel & tickets (38.96%), followed by telecommunication (12.82%), consumer electronica (7.84%), computer hardware and software (7.57%), clothing and shoes (7.48%) and media (6.36%).

More than 11 million Dutch have at least once bought something online. This is 92% of all active internet users in that country. In 2013 about 10.3 million Dutch people ordered something online, according to CBS. **In total there were 46 million online orders placed, a growth of 10% compared to the same period one year ago.** And in 2015 research showed there were 11.76 million people (aged 15 years or older) who shopped online during the first half of 2014.

Netherlands – Digital Travel Landscape

Share of the holidays booked online in the Netherlands from 2014 to 2016, by age

While young travelers tend to book holidays online more frequently than those of older generations, **older generations of Dutch travelers are embracing online travel quickly**.

Legend: ■ 2014 ■ 2015 ■ 2016

Y-axis: Share of the holidays booked online (0.0% to 70.0%)

- 18 to 25 years: 51%, 42%, 44%
- 25 to 35 years: 62%, 62%, 61%... 51%
- 35 to 45 years: 54%, 54%, 63%
- 45 to 55 years: 50%, 48%, 58%
- 55 to 65 years: 41%, 40%, 56%
- 65 to 75 years: 24%, 25%, 45%
- 75 years and older: 6%, 7%, 7%

Number of holidays by Dutch citizens in 2013 to 2015, by type (in millions)

Legend: ■ 2013 ■ 2014 ■ 2015

Y-axis: Number of holidays in millions (0 to 40)

- Total number of holidays: 36, 35, 35
- Domestic holidays: 18, 17, 17
- Holidays abroad: 18, 18, 18
- Long-haul holidays: 23, 22, 22
- Short-haul holidays: 13, 13, 13
- Winter period: 15, 14, 13
- Summer period: 21, 21, 22

Dutch citizens **take more long-haul holidays** than short-haul ones. They are also **more likely to take holidays in the Summer** than in the Winter.

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Netherlands – Digital Travel Channels

Digital Channel Overview

The key digital travel platforms in the Netherlands for general tourism and travel are the OTA Booking.com and search sites Skyscanner.nl and Tripadvisor.nl. On the supplier side (airlines and hotels), top websites include Klm.com, Ryanair.com, Airbnb.nl as well as well established OTAs (Booking.com and Trivago.nl).

Top travel websites in the Netherlands taken from SimilarWeb, ranked by share of traffic.

General Travel

1	booking.com
2	anwb.nl
3	ns.nl
4	9292.nl
5	tripadvisor.nl

General Tourism

1	9292.nl
2	tripadvisor.nl
3	tripadvisor.com
4	skyscanner.nl
5	ov-chipkaart.nl

Accommodation & Hotels

1	booking.com
2	airbnb.nl
3	airbnb.com
4	trivago.nl
5	hotels.com

Airlines & Airports

1	klm.com
2	transavia.com
3	ryanair.com
4	schiphol.nl
5	easyjet.com

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Top 10 travel agencies in the Netherlands in 2015, by revenue (in million euros)

Revenue in million euros

Agency	Revenue
TUI Netherlands	1,148
Corendon	447
Thomas Cook Netherlands	382
Sundio Group	371
ANWB Reizen Groep	205
Travelbird	150
Vacansoleil	101.5
@ Leisure (Euro Relais/Belvilla)	90
De Jong Intra Vakanties	70
Bookit/Weekendjeweg.nl	69
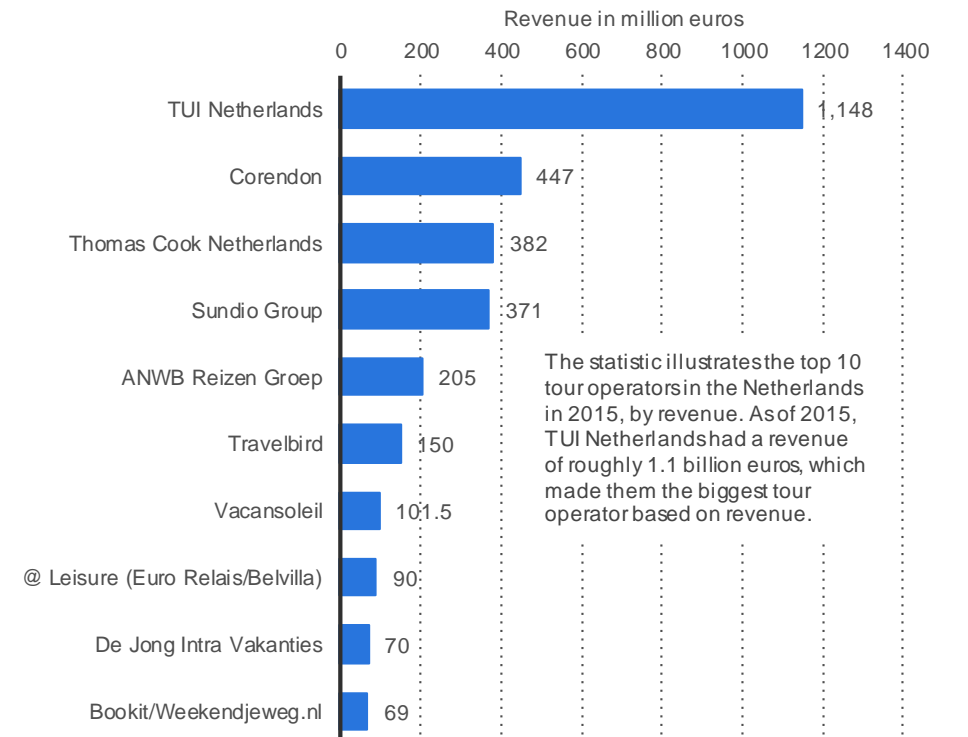
The statistic illustrates the top 10 tour operators in the Netherlands in 2015, by revenue. As of 2015, TUI Netherlands had a revenue of roughly 1.1 billion euros, which made them the biggest tour operator based on revenue.

Netherlands – Digital Travel Channels

Site	Monthly Visits* (July 2017)	Web Rank (In Country)	Bounce Rate	Average Time on Page	Top 5 Keywords	Basic Demographics	Upstream traffic
tripadvisor.nl	3.63M (+21%)	#241	50.1%	3:31 min	1. TripAdvisor 2. Restaurants in de Burt 3. Restaurant 4. Restaurant Rotterdam 5. Hoanggia	• Those with **graduate level education** are over-represented • **45-55 year olds** over-represented • Majority without children • Majority make **USD $30-$60k**	58% of traffic comes from search engines, 48% from google.nl. About 2% from Facebook and 2% from Booking.com.
zoover.nl	1.93M (+16%)	#655	50.2%	2:53 min	1. Weer zoover oldeberkoop 2. Zoover 3. Preston palace 4. Nederland weer zoover.nl 5. Veluwse bron	• Those with **college and graduate education** are over-represented • Majority make **USD $30-$60k** • Majority between **45 and 64**	46% of traffic comes from google.nl. About 3.3% comes from weeronline.nl. Only .95% comes from social.
corendon.nl	962.58K (+31%)	#992	33.5%	6:02 min	1. Corendon 2. Vakantie 3. Mijn corendon 4. All inclusive 5. Correndon	• Majority **without children** • Majority make **USD $30-$60k**	52% of traffic comes from search, though only 29.8% comes from google.nl. Around 2.8% comes from social.
tui.nl	2.45M (+10%)	#322	36.4%	6:00 min	1. Tui 2. Tuifly 3. Kras 4. Mijn tui 5. Tui reizen	• Majority **female** • Over-represented by **25-34 and 45-55 year olds** • Majority with **graduate education** • Majority make **USD $30-$60k**	43% of traffic comes from search, with 29.8% coming from google.nl. Around 3% comes from social, 2.5% of which comes from Facebook.
airbnb.nl	2.4M (+25%)	#211	26.7%	8:52 min	1. Airbnb 2. Airbnb Amsterdam 3. Air bnb 4. Rbnb 5. Airbnb nederland	• Over-represented by **25-34 and 45-55 year olds** • Majority with **graduate education** • Majority **without children** • Majority make **USD $30-$60k**	25% of traffic comes from search, 29% of which comes from google.nl. 2.7% comes from social, 5% of which comes from Facebook.

These Digital Selling Platforms represent a selection of the top travel websites in this market. They include websites that fall under the categories of OTA, metasearch, comparison and ratings and supplier sites. Sites were identified through a review of published articles on top travel sites, depth interviews, and further analysis using Alexa and Similar Web where possible.

Netherlands – Digital Travel Channels

Traffic Sources

Website	search	social	link	direct
tripadvisor.nl	67.68%		10.19%	21.65%
zoover.nl	76.11%			19.3%
corendon.nl	53.5%		12.32%	31.37%
tui.nl	43.28%		15.42%	38.64%
airbnb.nl	25.27%		14.71%	57.44%

www.alexa.com

These Digital Selling Platforms represent a selection of the top travel websites in this market. They include websites that fall under the categories of OTA, metasearch, comparison and ratings and supplier sites. Sites were identified through a review of published articles on top travel sites, depth interviews, and further analysis using Alexa and Similar Web where possible.

Netherlands – Digital Travel Marketing

Overview

Given the high level of internet penetration and the high adoption of social media across the country, it is easy to see why many **Dutch travelers look for travel inspiration across a wide variety of sites and sources.**

Dutch travelers trust the opinion of their peers and are increasingly **making use of peer-to-peer content when looking for travel inspiration**. Companies should leverage and build on such content as part of their professional travel advice in order to make a compelling case. The TripAdvisor 'certificates of excellence' are a good example of doing this.

Dutch Travel Blogs

The Travel Tester is a travel and lifestyle magazine encouraging you to try new things. Started by a Dutch couple currently living in London. They have around 7k followers on Twitter and nearly 6k followers on Instagram.
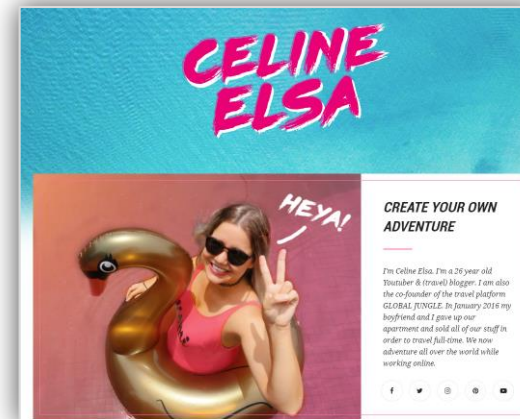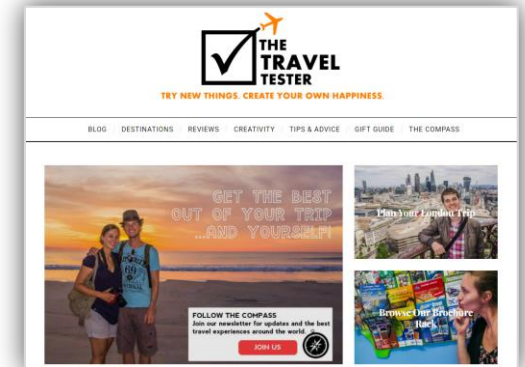
Celine Elsa is a 26 year old Dutch travel and lifestyle blogger on her site **Global Jungle**. In January 2016 she gave up her apartment to become a full-time digital nomad. She now travels all over the world while working online. She has 18k Instagram followers and over 1,200 YouTube subscribers.

Netherlands – Expert Spotlight

Pim Dopheide
Head of Knowledge Centre
"Multifunctional Leisure and Tourism Organizations"
NHTV Breda University of Applied Sciences

How would you describe the current state of the travel and tourism industry in the Netherlands?

According to the expert interviewed the current state of the travel and tourism industry in the Netherlands can be described as "an ideal destination for short breaks". As he states there a lot of historical and cultural places, which provide diverse opportunities both for the Dutch travelling people as well as for the international tourists, "here are the Dutch opportunities", says Pim Dopheide. "The international tourists are usually coming to the Netherlands for 3-4 nights and then moving to another European destination – Chinese, Japanese, in general Asian tourists as well as tourists coming from the US".

In the opinion of Mr. Dopheide an important hub in the Netherlands in terms of travel and tourism is Schiphol airport. "There are a lot of tourists coming there, which is very good."

"When we look to the tour operators, the biggest tour operators in the country are TUI and Neckermann", which started as Dutch businesses but later on became international. Here it has to be mentioned that the netto margins are really thin, less than 1%, which is very interesting to be noted since this was not the case not more than 5 years ago. The only reason according to the expert for such big tour operators to still be on the market and to be able to survive is the volume. The future now is in specialized tourism offerings, in themed tourism, which also these big tour operators are now trying to find their role into.

When talking about the rest of the travel agencies/tour operators in the Netherlands, they are predominantly small or medium-sized companies and "what they offer are tailor-made reservations, packages and products".

"The medium group (not the big tour operators, neither the small or the specialized ones) have a difficult time to survive", says Pim.

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Netherlands – Expert Spotlight (continued)

Pim Dopheide
Head of Knowledge Centre
"Multifunctional Leisure and Tourism Organizations"
NHTV Breda University of Applied Sciences

What are the emerging trends you see in the travel and tourism space in Holland?

- **"Phones are to be used more and more for bookings"** – basically people make their reservations on their smart phones, using different websites or directly applications. This trend is going to further grow since thus the life of the consumer is being made easier as well as the time of the respective "buyer" is used most efficiently.

- **"Companies put more effort in the customer"** - here the expert basically shares that the companies make specific use of big data, thus personalizing their offers to the respective consumer and providing "holidays on demand". "The product does not come first, now you can book a special/individual trip."

- **"There are more and more pure online players such as www.booking.com"** – this actually becomes more and more important due to the fact that people would like immediate, customized information and without any delay.

- **Sustainability of places** – It has been increasing as a factor for choosing a destination. The tour operators work a lot so that the products/offers/packages that provide are fully following the sustainability principles. It is becoming more and more important for the Dutch tourists when choosing their holiday for it to be sustainable. "Even when choosing a hotel, the people look towards the sustainability." The tour operators also nowadays try to look for and then offer everything that is sustainable.

- **Safety and security** – This has become a more and more become decisive criteria for the Dutch people to choose a specific destination.

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Netherlands – Expert Spotlight (continued)

Pim Dopheide
Head of Knowledge Centre
"Multifunctional Leisure and Tourism Organizations"
NHTV Breda University of Applied Sciences

Visit Finland

How do people in the Netherlands tend to make travel decisions?

"There are two main factors that determine the choice (the decision) for a holiday and these are family and friends", says Mr. Dopheide. The family is really the leading decisive factor. "The family members just gather together home and research online whether a specific destination is a good one and then they decide to book or not, they have to have the information."

On an average Dutch people would go to three – four holidays during the year ("we are very rich people", says Pim), whereby the first holiday is the main holiday that takes place during the summer and is the longest, while the second, third, fourth, etc. holidays are usually shorter in duration and there price is the most decisive factor (and in specific the price of the flight tickets). The first (main) holiday would in general be with the family, together with the children (if possible), while the rest of the holidays are mostly without the children and more planned ad hoc.

When making a travel decision, the other point of reference the Dutch have is online search engines such as Google, booking.com, etc. Another decisive factor for the travel is the price, though especially for the first (main) holiday it is not the leading criterion. "For the first holiday they are willing to give more money, while for the second or the third one they search predominantly for offers".
More and more city breaks are being chosen as a second or third holiday plan.

What are the most popular destinations for tourists traveling outside of the country?

"When talking about the European market, these are: France, Germany, Spain, Austria, Belgium, Italy, Greece, Turkey and when referring to the international market in general, then the USA, Canada, North America in general; Asian countries such as Vietnam (currently new and trendy destination), Thailand, Indonesia". "The sun and the beach do matter, not that much for Belgium or Germany."
When talking about main holidays, then they take place during the summer, so sun and sea do matter.

Since the Netherlands has also had colonies around the Globe, when being asked whether the former colonies were now important tourist destinations, Mr. Dopheide points only to Aruba and Bonaire, as well as to Java (although as Pim states: "*nowadays because of the terrorism people are rather afraid to go there*") but not to Surinam or other ones. What used to be trendy but nowadays due to the political and economic context, has diminished tremendously, these are the travels to North Korea, which the Dutch people liked very much as one of their potential destinations.

Netherlands – Expert Spotlight (continued)

How do consumers typically research and purchase travel products?

"Most by Internet" – says Pim. *"The Dutch use on the first place www.tripadvisor.com and on the second www.zoover.nl."* Then there come the following ones: booking.com, expedia.com and travelstar.com. As Mr. Dopheide says himself: *"Travelstar is rather new, I haven't used it but what I hear from practice, people like it and tend to use it nowadays a lot."*

The above are both for research as well as also for purchase, when available. When researching and purchasing flights, according to the expert, the Dutch people use mainly www.skyscanner.com and www.schipholtickets.com.

What types of marketing channels influence travel and tourism behavior in this market?

All social media channels – Facebook, YouTube, different blogs (*"many many blogs about a country, a destination, a special place, etc."*).

Mr. Dopheide also admits that an influential channel on the travel and tourism behavior in the Netherlands apart from the abovementioned digital channels are fairs and exhibitions – for example Vakantiebeurs, Utrecht, which is being held on annual basis in the month of February. Moreover travel agencies and tour operators organize special meetings dependent on the interests of the potential travelers.

Mr. Dopheide says as well: *"In the past we had travel guides (the catalogues with all diverse offers one could obtain when visiting the office of a travel agency before, however nowadays there is a new trend to be noted – we have a magazine. There is no guide but a magazine."* The magazine usually shares a story/ies of a trip/travel/package/product. There are tips provided, experiences shared. The magazine is seen as an integrating tool, which intertwines the description of the product, the travel experience behind it together with real-life stories by consumers, who thus immediately participate in the process.

Pim Dopheide
Head of Knowledge Centre
"Multifunctional Leisure and Tourism Organizations"
NHTV Breda University of Applied Sciences

Visit Finland

Netherlands – Recommendations

Overview

The Netherlands' digital travel market is nearing a saturation point. While **over 50% of Dutch travelers book their holidays online**, only a small percentage (13%) will use a travel agency. The Dutch population is highly tech savvy and most of the population use digital channels to book and research travel. Competition is high to attract Dutch travelers, and they are likely to focus on value and security of payment when considering where and how to book their travel arrangements.

Channel Recommendations

Look for ways to cater to shorter, frequent trips through last minute deals on OTAs

- The Dutch population will travel more frequently, but the length of the trips will be shorter. **Companies need to have a digital, self-service platform** in order to be top of mind when travelers are orientating for short trips. Travelers often use such platforms when comparing and booking separate tickets for transport and accommodation.

Use social media to connect Dutch travelers with real experiences

- Social media have build valuable personal profiles of travelers and are expected to play a key role in the future travel industry. **Facebook could leverage its knowledge to offer direct leisure travel offerings**, while LinkedIn could do the same for business-related travel services. They might also integrate with other digital platforms in order to provide a full-scale travel solution.

Find ways to cater to older demographics

- **The age segment of 65-80 will show the largest growth in the next decade**. As this segment has time and money for travel, it becomes an increasingly attractive target group for travel companies. Engage this segment by offering them a total travel package, as this generation of people values peace of mind, trust, and transparency, as well as having everything 'arranged properly'.

Visit Finland

France

Key Points

- As is the case each year, the majority of holidaymakers will **stay in France** for their summer leave (63%).

- The use of **OTAs surged in 2016** becoming the top choice for travel shopping in France (49%, 2016 vs 38%, 2014).

- The **interest in Home/apt. rental websites have increased** notably for French travelers, particularly in comparison to other European countries**.**

- The share of French travelers who **booked solely online** increased by more than 20% since 2014.
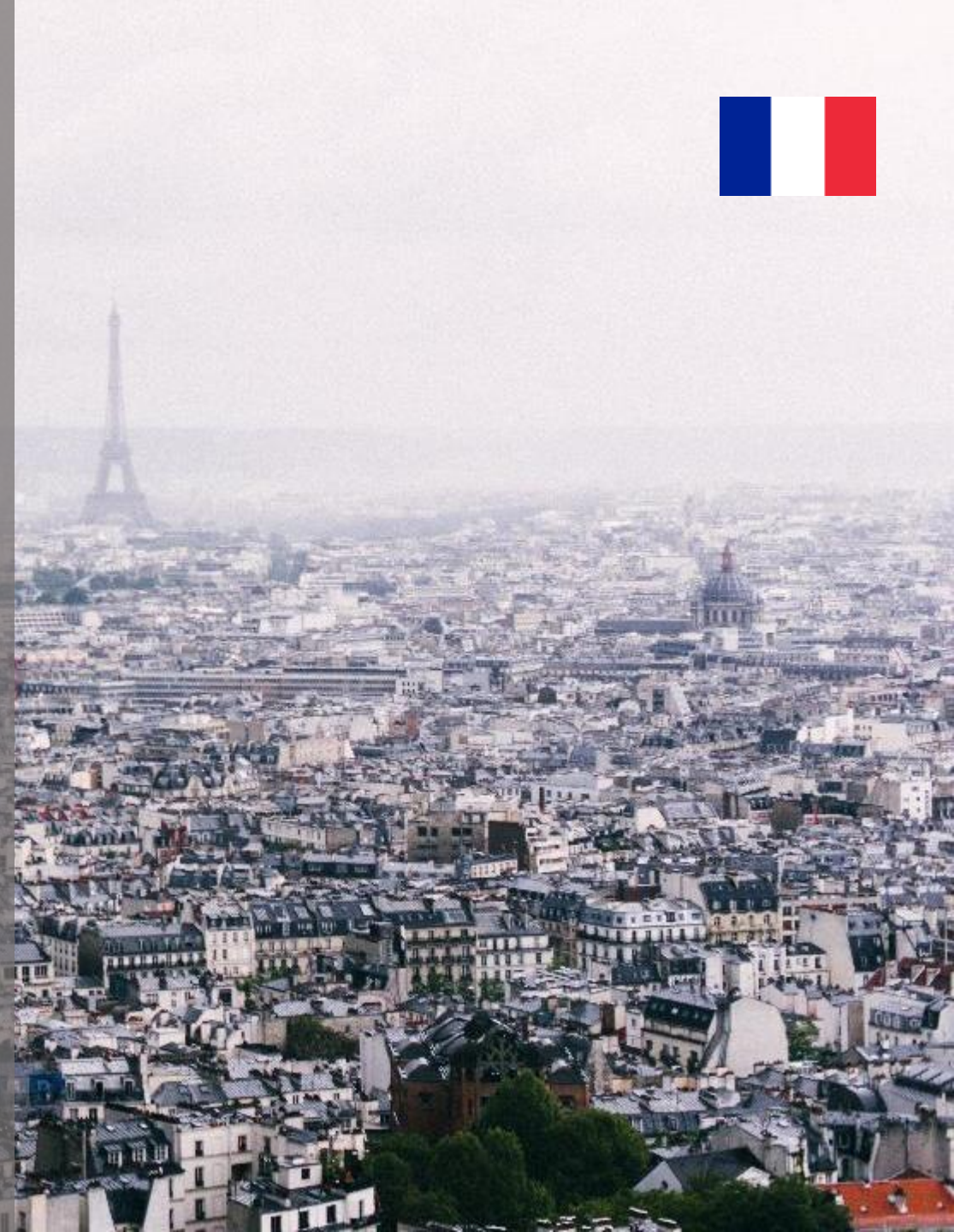
France – Country Overview
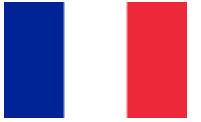
Overview

The French economy is diversified across all sectors. The **travel and leisure sector** is quite **complex** and **fragmented** - made up of **tour operators and travel agencies (online and offline),** with associations and social clubs playing an important role.

Key Travel Drivers

- **40% of French national use travel guide websites such as Lonely Planet**, Rough Guide and Frommers to decide their vacation destinations.

- **70% reported using the internet to choose their travel destination** from 2015 to 2016.

- **French Millennials are dedicated travellers** with 2 in 3 (66%) prioritizing travel above any other expense.

- **Youth travellers prefer to opt for youth hostels** or university accommodation as they tend to be more price-sensitive.

- **Expectation levels for standards and services are high** – any issues should be resolved promptly.

Key Facts & Figures	
GDP	$2.699 trillion (2016 est.)
GDP Growth	1.1% (2016 est.)
Outbound Travel	49,300,000 trips (2016)
Total Outbound Expenditures	USD $38.4 Billion (2016)
Average Expenditure Per Trip (Outbound)	~ USD $432 (2016)
Average Expenditure Per Night (Outbound)	~ USD $81 (2016)
Population	66,836,154 (July 2016 est.)
Median Age	41.2 years
Population Growth	Increasing 0.41% (2016 est.)
GDP (Per Capita)	USD $42,400 (2016 est.)

France – Digital Travel Landscape

## Online and personal recommendations drive decisions

Out of 1,007 French nationals, **70% reported using the internet to choose their travel destination from 2015 to 2016.** According to Phocuswright, people in France are likely to use digital channels to research and book hotels, with **60% using online travel agents and 15% referring directly to hotel websites.** Similarly, **67% of French nationals are using online travel agents for flight shopping, compared to those buying direct from Airline websites (14%).**

Additionally, over **40% of French national use travel guide websites such as Lonely Planet, Rough Guide and Frommers to decide their vacation destinations**, however many rely heavily on word of mouth for inspiration on travel destinations.

Which of the following sources influenced your choice of destination?
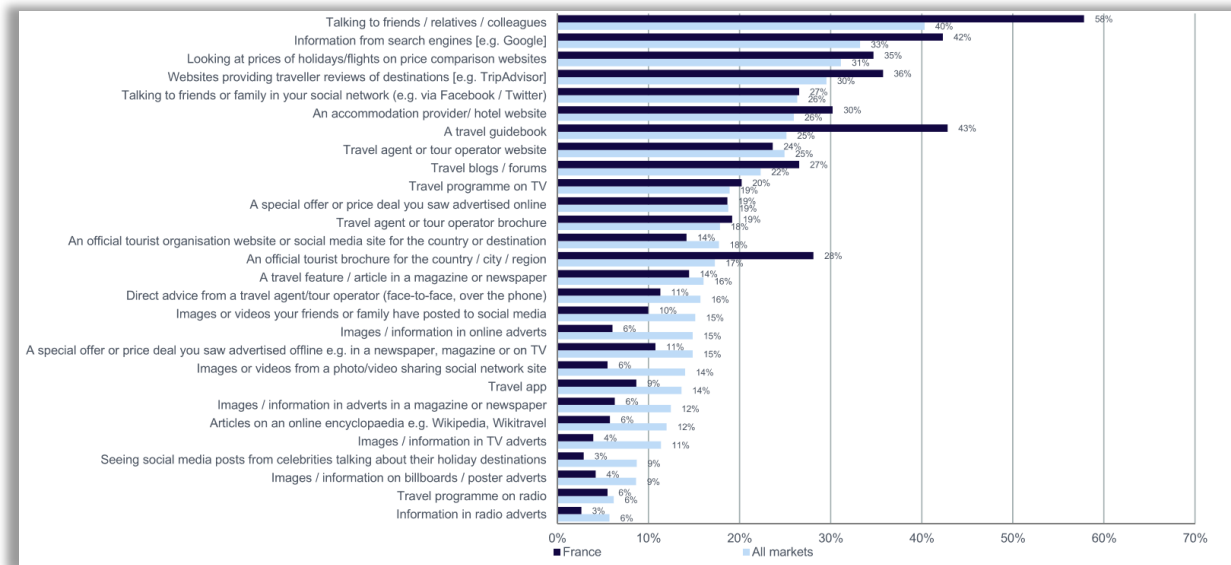
France – Digital Travel Landscape
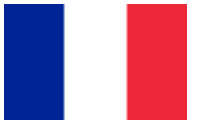
Generational and International differences in online travel habits

French Millennials are dedicated travellers with 2 in 3 (66%) prioritizing travel above any other expense, but at the same time are savvy bargain hunters with a penchant for the occasional luxury upgrade. They are more likely to book direct rather than through intermediaries and are less likely to be members of loyalty programs.

French millennials are using Google to plan and book travel more frequently than older travellers. Unlike their counterparts in the US, Millennials in France are more likely to book flights through airline websites 40% in France vs. 34% in the US.

French millennials are also more likely to book hotels through general travel websites as opposed to booking directly through hotel websites (57% vs.18%). French millennials plan further ahead in their travel plan, beginning their search 13 days in advice of booking, compared to older travels who on average, begin their search 9 days before booking.

■ Aged 34 or under   ■ Aged 35+

Share of respondents

- Use Google to plan and book travel: 39% (Aged 34 or under), 33% (Aged 35+)
- Prioritise price over airline for flight selection: 83% (Aged 34 or under), 70% (Aged 35+)

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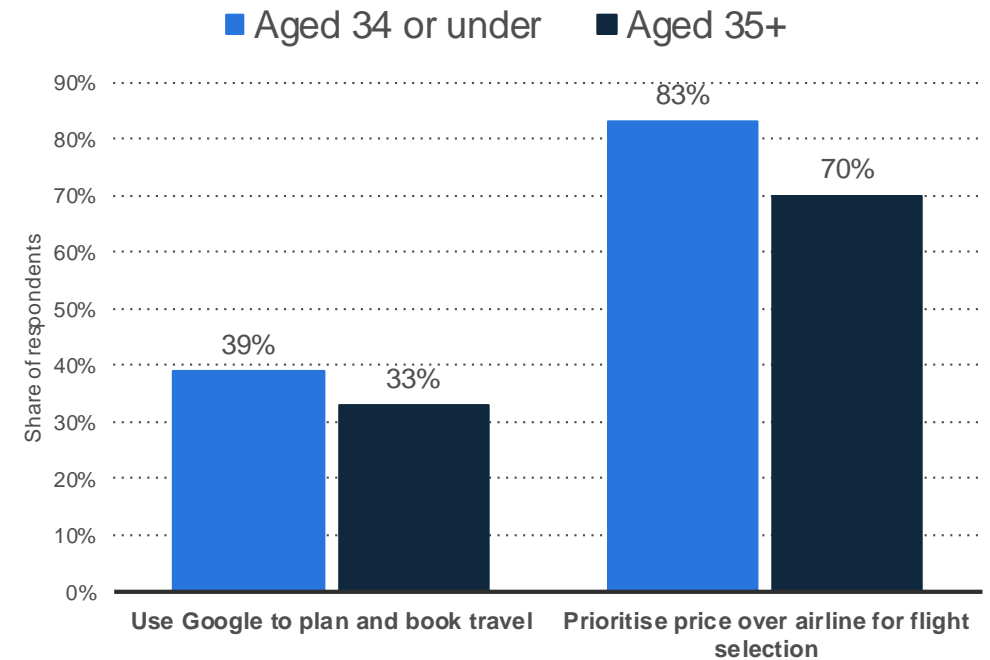
France – Digital Travel Landscape
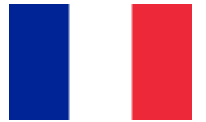
Travel booking methods

The French travel market returned to growth in 2015 reaching gross bookings of €43 billion. Online growth at roughly 5-6% annually will outpace total travel market growth though 2017.
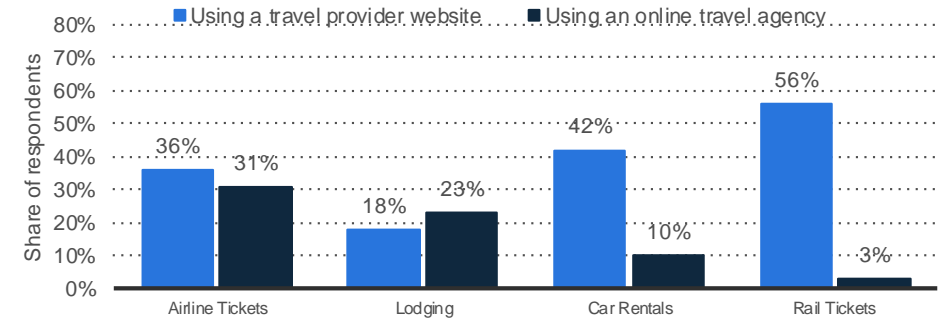
Travelers from France are more than twice likely as German travelers to book directly with airlines- Phocuswright's European Consumer Travel Report *6th Ed.*
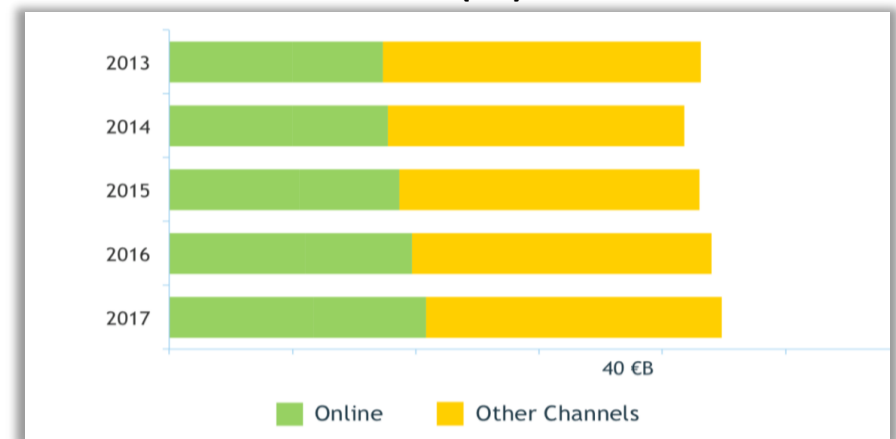
The gap between researching and booking is shrinking

More French travellers are willing to research AND book travel plans online than they were 5 years ago. That being said, the pathway to purchase for many customers is becoming more complex. **For the first time, online travel bookings surpassed €20B in France in 2017**, however many travellers are opting for other channels.

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Typical Travel Booking Methods

Please indicate which method you TYPICALLY use to book each type of travel component?

Share of respondents
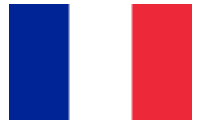
Legend: ■ Using a travel provider website ■ Using an online travel agency

- Airline Tickets: 36% / 31%
- Lodging: 18% / 23%
- Car Rentals: 42% / 10%
- Rail Tickets: 56% / 3%

French Travel Market (€B) 2013-2017

2013, 2014, 2015, 2016, 2017

40 €B

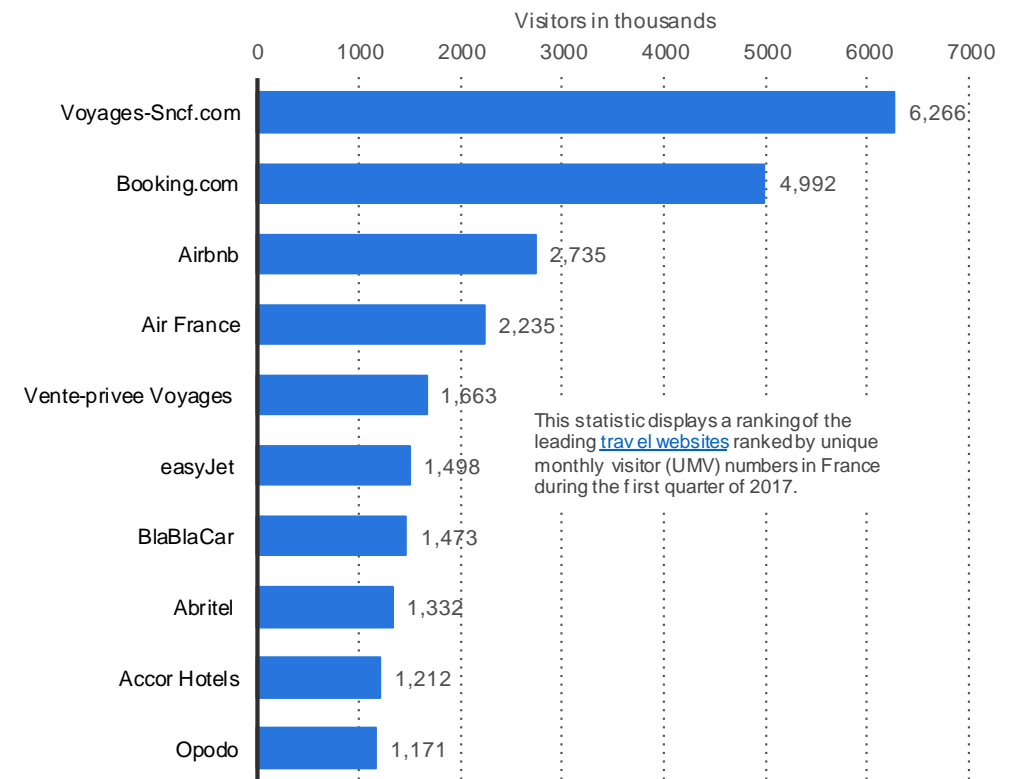Legend: ■ Online ■ Other Channels

France – Digital Travel Channels

Top France travel sites offer ratings and price comparisons

Voyages-Sncf.com and Booking.com rank highest among travel websites by total number of visitors in France.

In the top five, 4 travel/accommodation providers fall into the category of online travel agency (OTA) or metasearch site. Air France, is the sole provider that don't compare directly with price comparison and ratings sites.
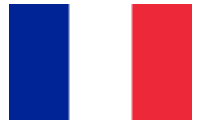
Other sites in the top ten include easyJet Europe's 5th largest airline and BlaBlaCar, a renowned long-distance car sharing community.

Travel websites ranked by visitors in France as of the first quarter of 2017 (in 1,000 visitors)

Visitors in thousands

Website	Visitors
Voyages-Sncf.com	6,266
Booking.com	4,992
Airbnb	2,735
Air France	2,235
Vente-privee Voyages	1,663
easyJet	1,498
BlaBlaCar	1,473
Abritel	1,332
Accor Hotels	1,212
Opodo	1,171

This statistic displays a ranking of the leading trav el websites ranked by unique monthly visitor (UMV) numbers in France during the f irst quarter of 2017.

Sources:
Most visited travel websites in France as of the first quarter of 2017 (in 1,000 visitors)
Largest airlines Europe
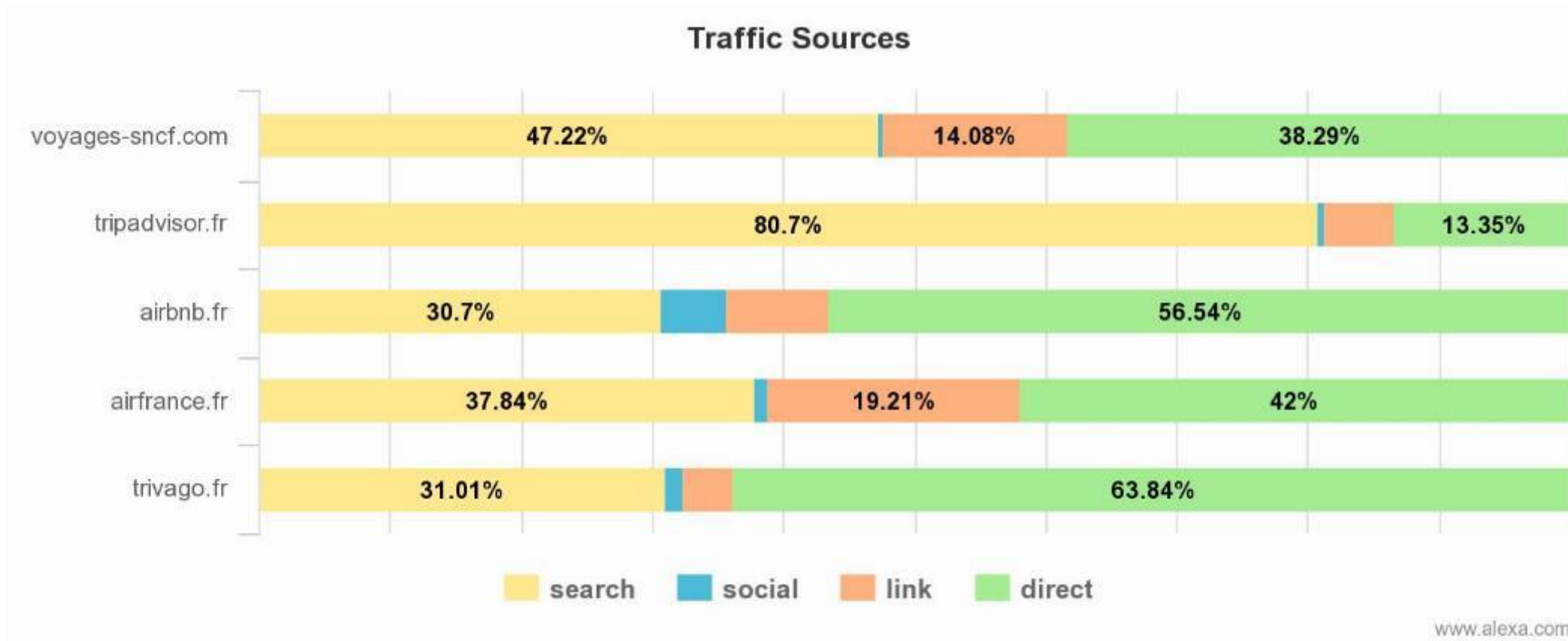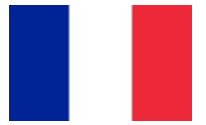
France – Digital Travel Channels

Site	Monthly Visits* (July 2017)	Web Rank (In Country)	Bounce Rate	Average Time on Page	Top 5 Keywords	Basic Demographics	Upstream traffic
voyages-sncf.com	27.5M (+13%)	#49	18.5%	7:12 min	1. Sncf 2. Voyage sncf 3. Voyages sncf 4. Ouibus 5. ouigo	• Majority **female** • Majority with **graduate education** • Majority **without children** • Lower income, over-represented in **USD $0-$60k income bracket**	47% of traffic comes from search engines, 32% of people come from google.fr. Less than 1% traffic comes from social. Most referral traffic comes from search.lilo.org and trivago.fr.
Tripadvisor.fr	28.4M (+39%)	#71	54.8%	3:26 min	1. Tripadvisor 2. Abritel 3. Restaurant 4. Go voyage 5. Trip advisor	• Majority **female** • Majority with **graduate education** • Majority **without children** • Tend to make between **USD $30k-$60k** • Majority between **25-34 years old**	81% of traffic comes from search, 31.6% of people visiting come from google.fr. Less than 1% traffic comes from social. Most referral traffic comes from search.lilo.org and hometogo.fr.
Airbnb.fr	20.2M (+27%)	#70	29.3%	10:01 min	1. airbnb 2. air bnb 3. rbnb 4. airbnb paris 5. bnb	• Majority **female** • Majority with **graduate education** • Over-represented by **25-34 year olds** • Lower income, over-represented in **USD $0-$60k income bracket**	31% of traffic comes from search, 24% comes from google.fr. Around 5% comes from social, with 90% of that from Facebook.
Airfrance.fr	8.44M (+9%)	#223	24.9%	6:18 min	1. Air france 2. Airfrance 3. Flying blue 4. Air france check in 5. air	• Majority **female** • Over-represented by **25-34 and 35-44 year olds** • Majority with **graduate education** • Majority make **USD $30k-$60k**	38% of traffic comes from search, 24% of traffic comes from google.fr. Less than 1% comes from social, 78% of which comes from Facebook.
Trivago.fr	3.7M (+23%)	#702	46.8%	2:26 min	1. Trivago 2. Reservation hotel 3. Comparateur hotel 4. Hotel 5. Trivago paris	• Over-represented by **18-24 and 55-64 year olds** • Majority with **graduate education** • Majority **without children** • Majority make between **USD $0-$60k**	31% of traffic comes from search, 25% of traffic comes from google.fr. 1.4% comes from social, 88% of which comes from Facebook.

These Digital Selling Platforms represent a selection of the top travel websites in this market. They include websites that fall under the categories of OTA, metasearch, comparison and ratings and supplier sites. Sites were identified through a review of published articles on top travel sites, depth interviews, and further analysis using Alexa and Similar Web where possible.

France – Digital Travel Channels

Traffic Sources

	search	social	link	direct
voyages-sncf.com	47.22%		14.08%	38.29%
tripadvisor.fr	80.7%			13.35%
airbnb.fr	30.7%			56.54%
airfrance.fr	37.84%		19.21%	42%
trivago.fr	31.01%			63.84%

■ search ■ social ■ link ■ direct

www.alexa.com

These Digital Selling Platforms represent a selection of the top travel websites in this market. They include websites that fall under the categories of OTA, metasearch, comparison and ratings and supplier sites. Sites were identified through a review of published articles on top travel sites, depth interviews, and further analysis using Alexa and Similar Web where possible.
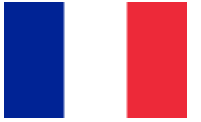
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France – Digital Travel Marketing

Overview

The reflex of **checking online reviews** when choosing lodging has become a common practice for 1/3 of French holidaymakers: **after value for money (71%), and location (54%), it is the 3 in decision-making (27%), equal in importance to looking at photos of the place (27%).**

Ratings and reviews from other travelers sway decisions for many French travellers. When choosing a digital channel to us, French nationals opted for websites/apps that are easy to use and advertise the best prices and offers. Additionally, traveller submitted ratings and photos were rated as being highly important features when scanning through online content.

French nationals are now using social networking websites and apps more so than ever before when comparing and choosing leisure travel products, according to Phocuswright's European Consumer Travel report.

Top France Travel Blogs

Bruno Maltor – @brunomalto
Creator of VotreTourDuMonde.com
Bruno is a French travel blogger who updates his followers with travel snaps and reviews, as well as essential advice for solo travellers. Bruno has over 134k Instagram **followers on Instragram and over 8000 subscribers** on YouTube.
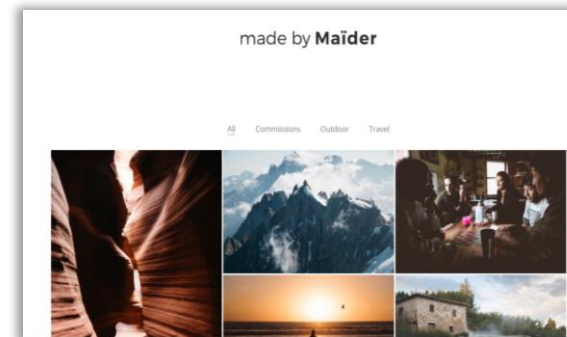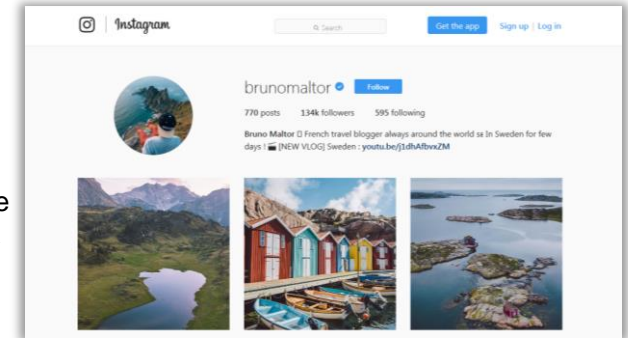
Maïder Oyarzabal - @madebymaider

Maïder is a photographer, frequent traveller and creator of madebymaider.com. The Whole World is a Playground is authored by couple and travelling companions, Elaine and Dave. With an ambitious goal to visit 15 countries a year, while working full-time in Ireland, they decided to create a travel blog to document all aspects of their travels and to prove that you can explore while chasing a career. **52k followers on Instagram and a Top 10 ranked travel blog by Vuelio.**
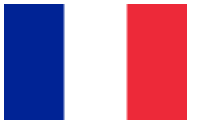
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France – Expert Spotlight

Guillaume Cromer
ID-Tourism
Director

What are some emerging trends you see in the travel and tourism space in the French market?

Many of the big travel trends Cromer has seen emerge in the French market are similar to those that have appeared in the European market as a whole. In Europe, as in France, tourists are traveling more often and leaving for less time.

There is a strong tendency for travelers to use digital platforms to find and book vacations. Many French travelers continue to use digital platforms during their stays to find recommendations of activities in the area.

One trend unique to France that emerged in the past year is the tendency to spend vacations domestically rather than travel outside of the country. Another recent trend is the usage of digital platforms like Evaneos to connect French travelers with local travel agencies to curate tailor-made trips for visitors.

According to Cromer, "The evolution we see when it comes to practices of French people that travel abroad is that there are now more platforms putting travelers in touch with respective agencies like Evaneos in France, which has been a breakthrough and puts French people in contact with local francophone agencies around the world."

Have you worked in the past on promotional campaigns for destination specific firms, like Visit Britain or Visit Sweden, that focus on marketing foreign destinations to French travelers?

"French travel bloggers have a growing influence on the market. Foreign destinations like Visit Britain and Sweden are increasingly using French travel bloggers to promote their respective countries rather than video campaigns."

In regards to these video campaigns, Cromer said: "I will for example pay attention to video campaigns that will generate buzz on the market, but there aren't that many campaigns that are memorable or impactful."

Instead, Cromer said that tourism offices are focused on collaborating with bloggers who can promote foreign destinations within their respective communities. Cromer said that these bloggers are becoming increasingly recognizable thanks to these collaborations.

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France – Expert Spotlight (continued)
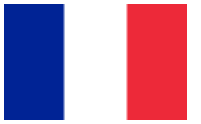
Guillaume Cromer
ID-Tourism
Director

Why, in your opinion, are some digital marketing channels more successful at attracting consumers than others?

"What makes digital platforms like Trip Advisor and Booking.com so fruitful in France is that their multi-billion dollar budgets allowed their campaigns to be very visible. Flourishing online travel agencies are able to buy keywords on Google and advertise themselves on TV to reach large audiences. Priceline is a multi-billion-dollar company, which helps a lot when it comes to buying keywords on Google, and being very visible in the market and even advertise on TV."

Are there ways or techniques that can be used to improve the promotional campaigns of foreign destinations like Visit Britain or Visit Sweden?

"A more targeted approach to reach French travelers would improve upon current campaigns led by foreign destinations like Visit Britain and Sweden. Subtle campaigns would be more effective at reaching French tourists."

Cromer continued, "Instead of promoting the whole country, Visit Britain could for example promote towards the French sporty travelers certain parts of the British countryside where they could ride all-road bikes."

"Building a network of influencers like bloggers or associations of platforms that put travelers in touch with local actors, like Evaneos, would also help such campaigns. Cromer emphasized that traditional campaigns like buying advertising space on the Paris metro or other classical methods would not be very effective in France."

Visit Finland

France – Recommendations
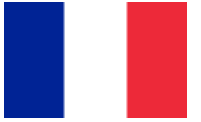
Overview

The French digital travel market has good potential for growth, in fact for the first time, online travel bookings surpassed €20B in France in 2017. Organisations that are looking to increase the number of French tourists they attract to their region or business would do well to remember that the French spend a considerable amount of time looking for travel inspiration through websites and social media. The French are more open to comparison when looking for hotels, and less likely to compare when looking for airline tickets.

Channel Recommendations

Partner with social media influencers and travel bloggers
- Because the travel and tour sector is so segmented within France, it is important to target customers by connecting with "trusted advisors" in the form of travel writers.
- Look for partnerships with Instagram travel influencers.

Create connections with alternate accommodation websites like Airbnb
- Popularity of business models are popular among the French, especially French Millennials.
- Look to partner with Airbnb to promote unique events and activities in Finland that will appeal to French consumers.

Focus on ratings sites like TripAdvisor
- French travelers are keen to check ratings and reviews from people who have been to certain locations before.
- Good reviews of intriguing places and activities by French speakers will drive traffic more than any advertising campaign.

Visit Finland

Italy

Key Points

- **91% of Italians have booked online** at least one product or service over the last 12 months

- **42% use a mobile device to plan, book and obtain information** (33% in 2012)

- **68% search online before choosing the place and type of holiday**, and 80% use the Internet in the planning stage of a trip

Italy – Country Overview

Overview

Italy is the third-largest economy in the euro zone, but its exceptionally high public debt and structural impediments to growth have rendered it vulnerable to scrutiny by financial markets.

Key Travel Drivers

- In 2016**, trips with overnight stays made by residents were 66,055 million**. The number of trips increased by 13.7%, compared to 2015 (they were 58,115 million).

- **Domestic destinations hosted 82.8% of trips**. Trips to foreign countries (17.2%) were mostly directed towards EU destinations (9.8%).

- **Millennial will drive major travel trends in Italy**. They tend to consider travel and holidays as a necessary element of their lives; they travel a lot more and for much more time and, above all, they consider the money spent on tourist experiences as the most well-spent.

- **Internet will become the most widely used channel for booking in Italy in the next 5 years**, with users using the internet for everything from initial travel inspiration to booking and in-destination purchases.

Key Facts & Figures	
GDP	$2.221 trillion (2016 est.)
GDP Growth	0.8% (2016 est.)
Outbound Travel	31,400,000 trips (2016)
Total Outbound Expenditures	~ USD $31.5 Billion (2014)
Average Expenditure Per Trip (Outbound)	~ USD $630 (2016)
Average Expenditure Per Night (Outbound)	~ USD $96 (2016)
Population	62,007,540 (July 2016 est.)
Median Age	45.1 years
Population Growth	Increasing 0.23% (2016 est.)
GDP (Per Capita)	USD $36,300 (2016 est.)

Visit Finland

Italy – Digital Travel Landscape

Overview

One of the main change in consumer habits among Italians has been the slow but constant shift towards technology goods (see graphic on technological goods owned by households). **The Italian average customer/consumer remains still quite sceptical about e-commerce and generally prefers direct purchase of goods.**

However **booking and researching holidays online seems to be very popular.** The main goal is to find cheap vacations, flights and hotels.

Over half of Italian travelers research their holidays online

The main sources of inspiration for planning of holiday travel among Italians aged 18 - 65 in 2017. **According to the survey results, the majority of respondents (62 percent) stated that inspiration for holidays came from personal research, followed by Internet research (54 percent).** Another popular source of planning were friends and family: one third of the interviewees declared to be inspired by their travel recommendations. (Statista; Cooperativa di Consumatori; 2017)

Sources of inspiration for holiday planning in Italy in 2017
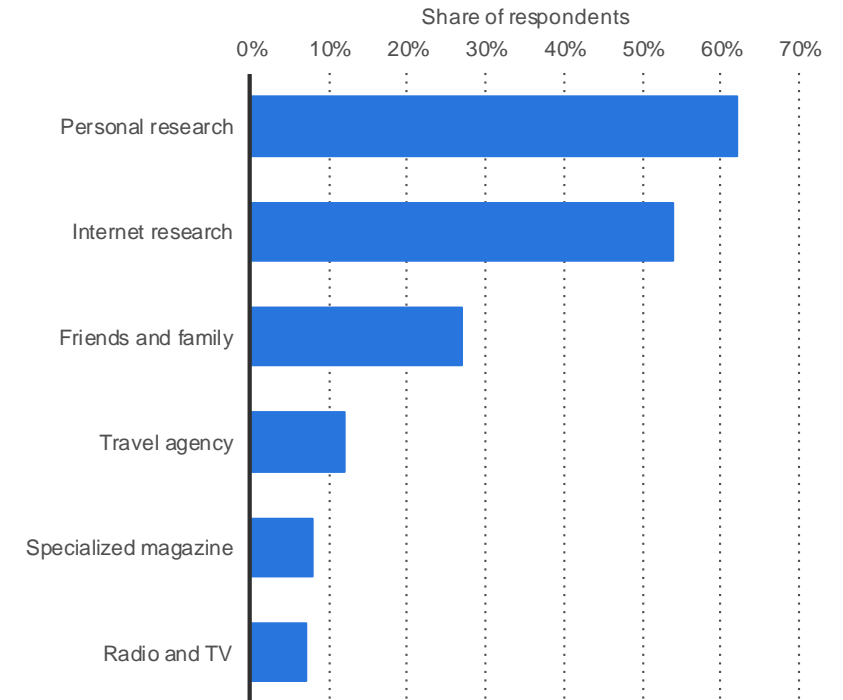
Personal and internet research go hand-in-hand during the inspiration process for most Italians.

Italy – Digital Travel Landscape

Digital Channel Overview

The digital revolution has affected the tourism sector and led to a radical change in consumer behavior, from the moment of decision up to actual consumption of the tourist product.

Among all Italians who have Internet access:

- **91% have booked online** at least one product or service over the last 12 months and use search engines as their primary source when seeking or planning a holiday.
- **42% use a mobile device** (smartphone, tablet, etc.) to plan, book and obtain information (33% in 2012).
- **68% search online** before choosing the place and type of holiday.
- Use of the Internet is essential for a tourist, and **80% use the Internet in the planning stage.**

In the consumption stage (once at the destination):

- 58% use online sources to look up activities and services.
- 40% directly create new content (and share it).

Summer holiday booking behavior of Italian holiday-makers in 2017, by age
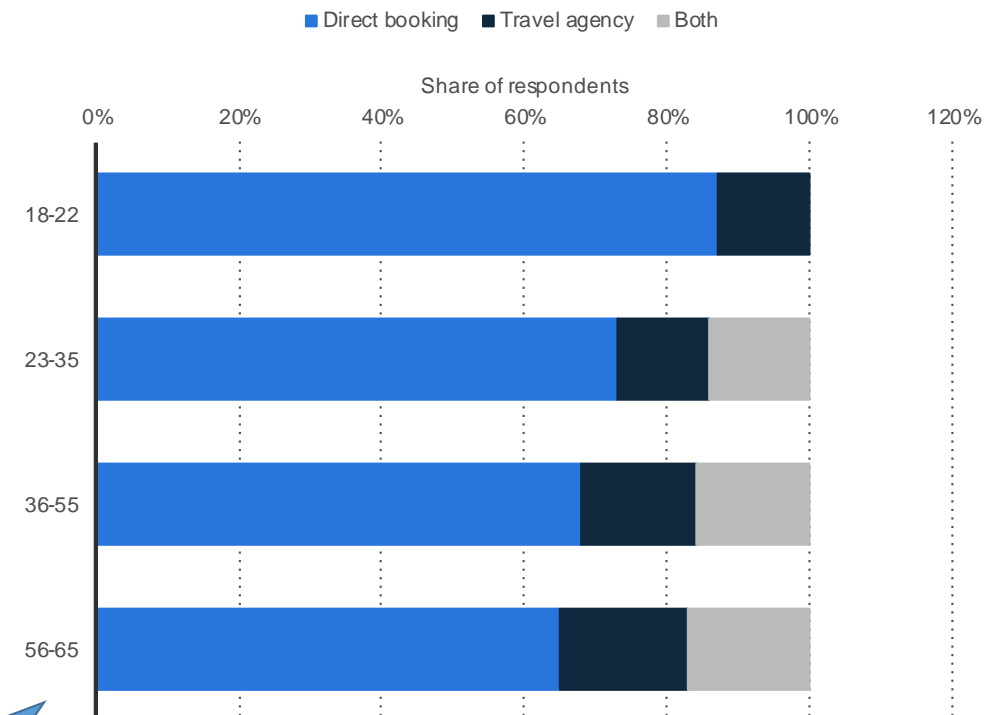
■ Direct booking ■ Travel agency ■ Both

Share of respondents

Younger Italians are comfortable booking travel directly with a supplier or online, rather than going through a travel agency.

Visit Finland

Italy – Digital Travel Channels

Digital Channel Overview

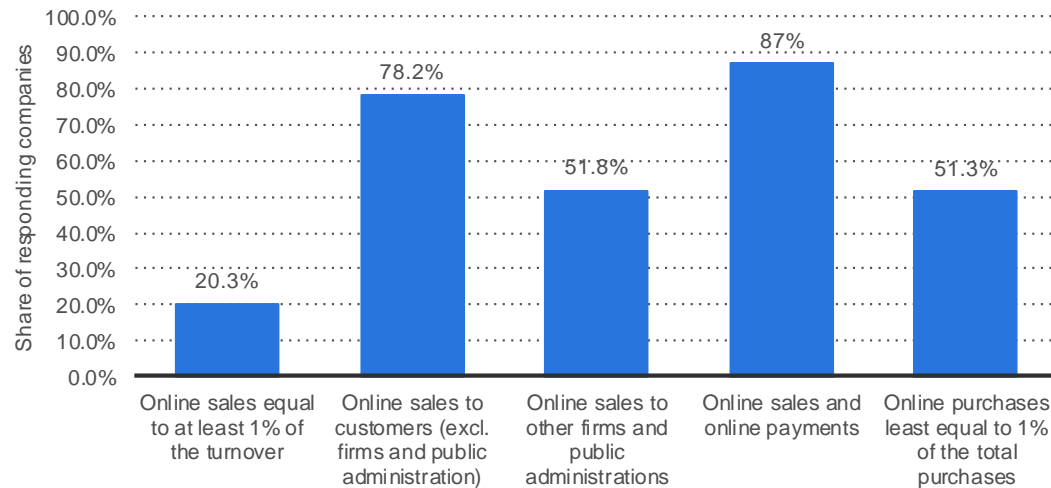The key digital travel platforms in the Italy for general tourism and travel are OTAs and search sites are Booking.com and Tripadvisor.it. On the supplier side (airlines, trains and hotels), top websites include trenitalia.com, Skyscanner.it, Airbnb.it as well as well established OTAs (Expedia.it and Trivago.it).

Share of travel agencies using e-commerce sales channels in Italy 2014, by indicator of use

Share of responding companies

- Online sales equal to at least 1% of the turnover: 20.3%
- Online sales to customers (excl. firms and public administration): 78.2%
- Online sales to other firms and public administrations: 51.8%
- Online sales and online payments: 87%
- Online purchases least equal to 1% of the total purchases: 51.3%

General Travel

1	booking.com
2	tripadvisor.it
3	trenitalia.com
4	airbnb.it
5	ryanair.com

General Tourism

1	tripadvisor.it
2	trenitalia.com
3	edreams.it
4	siviaggia.it
5	tripadvisor.com

Accommodation & Hotels

1	booking.com
2	airbnb.it
3	trivago.it
4	expedia.it
5	telepass.com

Airlines & Airports

1	ryanair.com
2	skyscanner.it
3	volagratis.com
4	easyjet.com
5	alitalia.com

Top travel websites in the Italy taken from SimilarWeb, ranked by share of traffic.

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Italy – Digital Travel Channels

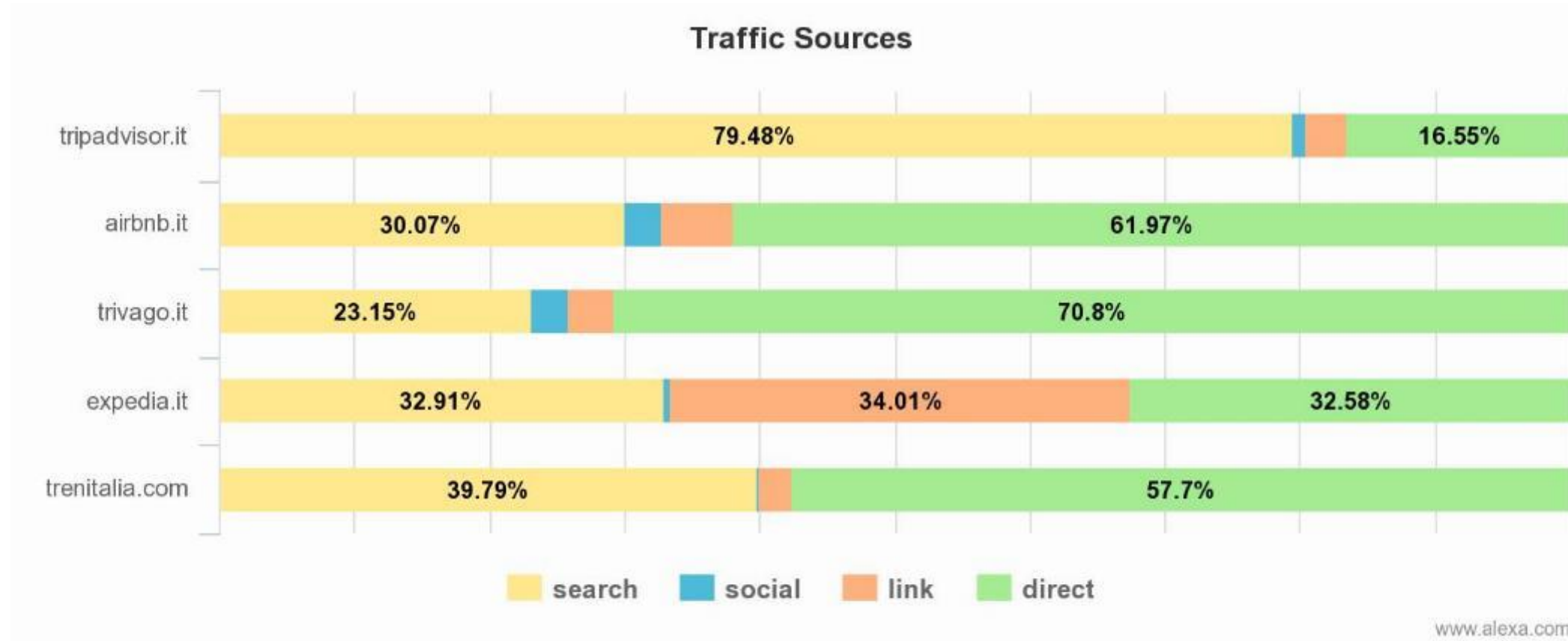| Site	Monthly Visits* (July 2017)	Web Rank (In Country)	Bounce Rate	Average Time on Page	Top 5 Keywords	Basic Demographics	Upstream traffic
Tripadvisor.it	30.1M (+18%)	#32	49.6%	4:00 min	1. Tripadvisor 2. Pirati in viaggio 3. Trip advisor 4. Wimdu 5. ristorante	• Majority with **graduate education** • Majority **without children** • Lower income, over-represented in **USD $0-$60k income bracket** • Majority between **35-44 years old**	79% of traffic comes from search engines, 57% of people come from google.it. Less than 1% traffic comes from social. Most referral traffic comes from hometogo.it and arianna.libero.it.
Airbnb.it	8.91M (+11%)	#81	23.9%	10:32 min	1. airbnb 2. air bnb 3. bnb 4. airbnb roma 5. Airbnb milano	• Majority **male** • Majority with **graduate education** • Majority **without children** • Over-represented in **USD $0-$30k income bracket** • Majority between **25-54 years old**	30% of traffic comes from search, 30% of people visiting come from google.it. 2.68% of traffic comes from social, 89% of that is from Facebook.
Trivago.it	6.36M (+29%)	#208	29.3%	2:24 min	1. Trivago 2. Trivago roma 3. Trivago italia 4. Trivago Napoli 5. Risorgiemnto resort google plus	• Majority **male** • Over-represented by **35-44 and 55-64 year olds** • Majority with **graduate education** • Majority make between **USD $0-$60k**	23% of traffic comes from search, 35% of people comes from google.it. Around 2.7% comes from social, with 98% of that from Facebook.
Expedia.it	4.49M (+45%)	#222	38.3%	5:38 min	1. Expedia 2. Last minute 3. Voli 4. Lastminute 5. Expedia voli	• Majority **female** • Over-represented by **35-64 year olds** • Majority with **graduate education** • Majority make between **USD $0-$60k**	33% of traffic comes from search, 30% of traffic comes from google.it. Less than 1% comes from social, 74% of which comes from Facebook.
Trenitalia.com	14.66M (+5%)	#96	56.9%	2:11 min	1. Trenitalia 2. Frecciarossa 3. Orari treni 4. Freccia rossa 5. Tren italia	• Over-represented by **35-54 year olds** • Majority with **graduate education** • Majority **without children** • Majority make between **USD $0-$60k**	40% of traffic comes from search, 39% of traffic comes from google.it. Less than .5% comes from social, 64% of which comes from Facebook.

These Digital Selling Platforms represent a selection of the top travel websites in this market. They include websites that fall under the categories of OTA, metasearch, comparison and ratings and supplier sites. Sites were identified through a review of published articles on top travel sites, depth interviews, and further analysis using Alexa and Similar Web where possible.

Italy – Digital Travel Channels

Traffic Sources

	search	social	link	direct
tripadvisor.it	79.48%			16.55%
airbnb.it	30.07%			61.97%
trivago.it	23.15%			70.8%
expedia.it	32.91%		34.01%	32.58%
trenitalia.com	39.79%			57.7%

www.alexa.com

Italy – Digital Travel Marketing

Overview

Italians are trend savvy and digitally adept, and **they look for travel inspiration across a wide variety of sites and sources.** Italians travelers do a lot of research before planning their trips, and they care about the opinions of their peers. They are increasingly **making use of peer-to-peer content when looking for travel inspiration**, so be sure to consider platforms like Facebook and Instagram for media targeting.

Leading Italian travel accounts on Instagram in Italy as of August 2017, ranked by number of Instagram followers (in 1,000s)
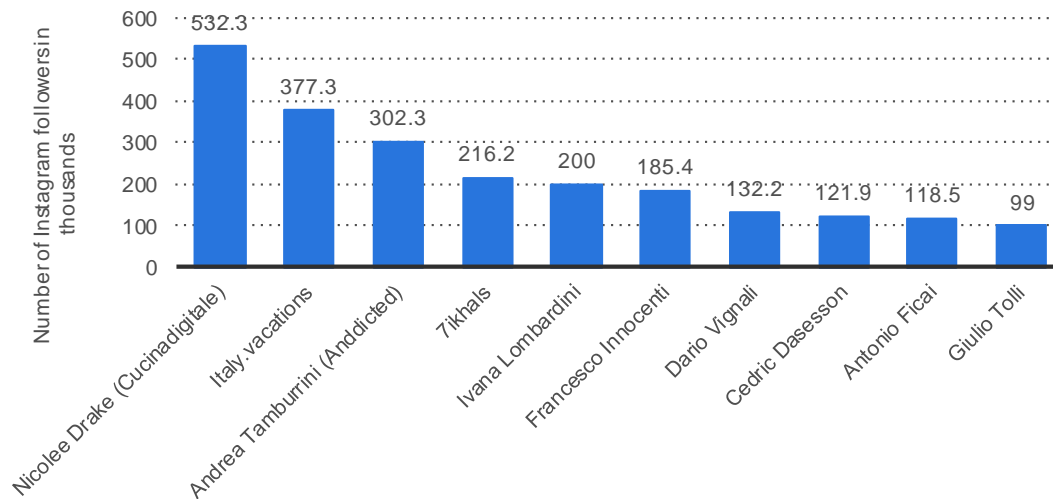
Leading social media networks in Italy as of November 2016, ranked by number of active users (in 1,000s)

Number of active users in thousands

Facebook	28,000
YouTube	27,000
Instagram	9,000
Tumblr	8,000
LinkedIn	7,000
Twitter	6,400
Google Plus	3,800
Pinterest	700
Snapchat	673
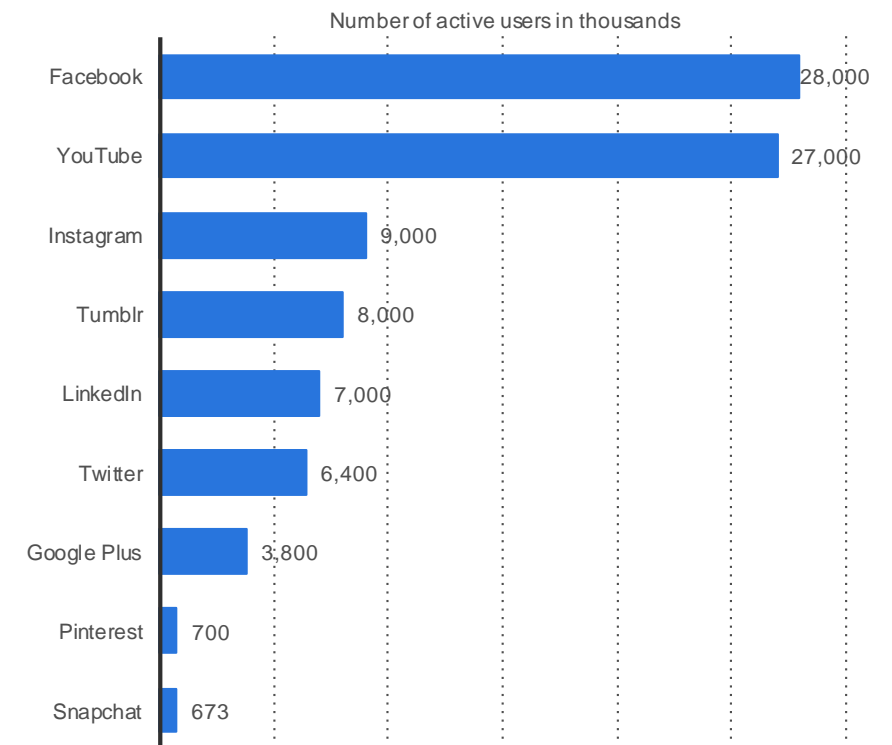
Italy – Expert Spotlight

Federica Giuliani
*Co-founder and
Editorial Director of
Travel Globe*

How would you describe the current state of the travel and tourism industry in Italy?

The latest reports indicate that the Italian tourism market is growing especially at a local level. Italians go on holidays more and they favor local destinations also because of the international crisis in some of their traditionally preferred vacation countries like Tunisia or Egypt.

What are some emerging trends you see in the travel and tourism space in this market?

I would not talk of new emerging trends but more of some confirmations about what Italians like to get when they choose their holidays. I will give you an example: for many years Italians from all over the country have been choosing the Adriatic Sea for their summer vacation. It's not the best sea in Italy, in fact it may very well be the worst, but the "Riviera Romagnola", the seaside of Romagna, is so well equipped with services for the tourists and entertainment, that Italians love it. Other regions like Sicily or Puglia or Sardinia have definitely better and less polluted sea waters but they do not offer any kind of tourism infrastructure so they don't attract as many tourists as they could. And let's not forget that Italian travelers love a good deal and where you get more tourists you usually have the best prices.

How do people in Italy tend to make travel decisions?

A good deal is always very attractive. Don't forget that our economy, in general, is not doing very well. If you still want to go on vacation you definitely need to find an affordable offer. Internally, Italians like what we call *"turismo lento"*, slow tourism (like our slow food movement, you know). They love to travel by train and are happy when they can reach an international destination by train. Also, Italians love culture. A trip is frequently an opportunity to visit a new country, a museum, an exhibition. Another very important factor in the choice of a holiday destination is certainly food! We love food, we love to learn about new foods, we want to try new things, we know about food and love to consider ourselves gourmets. So a travel destination becomes attractive if it offers a good mix of all these elements.

How do consumers typically research and purchase travel products?

Nowadays, even in super conservative Italy consumers buy their trips online. I am not talking only about millennials but more about people from 35 up. They are curious, they want to see how it works, they are looking for a good deal. I personally know very few people, mostly seniors, who would go to a travel agency to buy their holiday package or their train tickets. And as a result, real travel agencies are very rare to find.

Visit Finland

Italy – Expert Spotlight (continued)

What are the most popular destinations for tourists travelling outside of the country?

In our experience, Paris is still on top in the list of the most attractive destinations for the Italian traveler. Which is crazy if you think that Paris, and France in general, are the places that have been hit the most by terrorists in the last two-three years. This clearly tells us that tourism has lots to do with consumers' perception: despite data and facts, Italian tourists do not perceive Paris as a dangerous city, therefore they continue to visit it *en masse* year after year. And 2017 was no exception.

Scandinavia is becoming more and more appealing because of the efficiency of its services but it's still expensive and it's not big during summer. We have seen an increase of trips to Northern Europe, Finland, Sweden, Iceland and Norway in particular but more during winter months. Italians still don't know a lot about Scandinavia. They don't know about Scandinavian food and what they know is not very attractive to their palates. Scandinavian tourist operators will have to fight the big prejudice around the quality and variety of Scandinavian food offer to attract more tourists from our country.

Federica Giuliani
Co-founder and Editorial Director of Travel Globe

Visit Finland

Italy – Expert Spotlight (continued)

Federica Giuliani
Co-founder and
Editorial Director of
Travel Globe

What are the biggest digital travel platforms in Italy?

Well, Expedia and Travelzoo for sure. Lastminute and Opodo.it to book flights and holidays all included packages. Our TravelGlobe website is very well "attended" by people who look for suggestions and tips about their next trips. So is the Touring Club Italiano website. I believe that what travelers look for, given that the digital offer is enormous, are accuracy and honesty. Personally, I care about what I do and what I write. I don't give any suggestion or tip lightly and I always try things before writing about them. I want to offer travel suggestion that are original and trustworthy. When it comes to booking trips online, I believe customers want to have a user-friendly experience, want to be able to trust the vendor and find good deals. After all, we get less and less time for holidays and all we want is to find great places to build great memories and treasure them over the long working days during the year.

Do you have experience with promotional campaigns that focus on marketing specific destinations or product types?

TravelGlobe has worked in partnership with Visit Finland and I am going to Finland in few weeks to see with my eyes what new things are going on there right now. I think Finland is trying to promote itself and I bet every Scandinavian country would like to be the new Iceland (they have done so much and such a great job becoming a new cool destination these last years. Who would have ever told before that Reykjavik could become the place to be for so many tourists, included Italian travelers).

When it comes to the Italian market, I would suggest to Scandinavian operators to try build a new image of their countries. There are so many negative prejudices that surround those countries in the Italian imagination. Again, no light, too cold, terrible food, very introverted people. Not an appealing destination to our travelers. I know there are so many stories still to be told about these countries. I know the food scene is growing quickly and becoming more and more interesting. These stories and news need to reach our audience. This new Scandinavian travel narrative needs to be built soon to attract our tourists.

Visit Finland

Italy – Recommendations

Overview

Italian travelers are tech savvy and eager to explore. They are cost conscious, but more and more of them are willing to spend on experiences and one-in-a-lifetime trips. Italians travel throughout Europe, but there is an opportunity to connect them to Finland through partnerships with Italian bloggers and social media influencers. The main way of reaching this audience will be through the leading OTAs (Booking & Expedia) and through search sites like TripAdvisor.

Channel Recommendations

Partner with major OTAs (Booking & Expedia) and search sites (TripAdvisor)
- Most Italians start off the travel planning process by going online to search through OTAs and search sites.

Look for ways to attract Italian tourists based on price and value for money
- Majority of Italian travel is done inside Italy, a major reason for this is the cost of travel abroad.
- Scandinavia and the Nordic countries are perceived to be expensive, so look for ways to advertise value for money.

Create more partnership with Italian bloggers and social media influencers to tell real stories about what it's like to travel to Finland
- Italians have flawed perceptions about Scandinavia.
- Connect with younger generations of Italians (i.e. millennials) by working with key social media influencers in the region.

Russia

Key Points

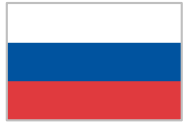- Digital channels in Russia are growing as Russia catches up to other EU countries.

- Resorts, sightseeing tours and ski holidays lost the most tourists in 2016, but **popularity of wellness and cultural excursions grew**.

- During the height of the crisis in 2015, 68% of Russians reported that they had switched to saving, including on travel.

- In 2016, 31.7 million Russians travelled abroad.

Russia – Country Overview

Overview

In 2015 the Russian economy showed a decline of -3.7%. For 2016 a further decrease is expected of -1,8%. From 2017 onwards, the IMF expects the economy to show positive numbers again.

Key Travel Drivers

- In 2016, **31.7 million Russians traveled abroad**, according to the Russian statistical agency, Rosstat. That number decreased by 8% from 2015, driven by economic slowdown. While figures for 2017 are not currently available, analysts expect the number of outbound trips to increase.
- Resorts, **sightseeing tours and ski holidays lost the most tourists in 2016**, but popularity of wellness and cultural excursions grew.
- In 2016, the **most popular destination for Russians traveling abroad and beyond the "near abroad" former Soviet countries was Finland**, followed by China, Estonia, Poland and Germany.

Key Facts & Figures	
GDP	$3.751 trillion (2016 est.)
GDP Growth	-0.6% (2016 est.)
Outbound Travel	31,700,000 trips (2016)
Total Outbound Expenditures	USD $53 Billion (2012)
Average Expenditure Per Trip (Outbound)	~ €635 (2016)
Average Expenditure Per Night (Outbound)	~ €64 (2016)
Population	142,355,415 (July 2016 est.)
Median Age	39.3 years
Population Growth	Decreasing -0.06% (2016 est.)
GDP (Per Capita)	USD $26,100 (2016 est.)

Visit Finland

Russia – Digital Travel Landscape

Fedor Egorov, product director of DaTravel.com described trends in eTourism in Russia

- **Go online.** With the growth of Internet penetration, bank cards and the credibility of online purchases, the number of people who begin to book trips independently increases.
- **Go mobile**. More and more traffic (more than 40%) and reservations (more than 15%) occurs through mobile devices. Although, in fact, it is more appropriate to use the term MultiScreen - when a person starts looking at something on the road on the phone screen, continues at home on the couch from the tablet and completes the purchase at work from the laptop.
- **Last minute.** With the simplification of the visa regime (increasing the duration of the Schengen visas), as well as reorienting the demand for domestic destinations, people began to book themselves last-minute trips, literally in a few days and for shorter periods. The share of bookings made several hours before the hotel accommodation is also increasing, although the dynamics of last minute bookings are still insignificant compared to Europe.
- **Local experience.** Travelers are more interested in advice and experience of local residents. This includes such services as Airbnb, which allows plunging into this experience, but also various excursion services: Viator, Weatlas, Excursiopedia, where local guides will show and tell how one or another city lives.
- **Make it easy.** Customers get tired of comparing thousands of offers and want to choose from a minimum number of specially tailored options for them according to their habits and wishes.

Source: "Multifunctionality of TripAdvisor- What makes TripAdvisor the Preferable Travel Web Site among Russians," Kajaanin Ammattikorkeakoulu University of Applied Sciences, 2017.

Russian travelers lean towards independent travel

- **Russians tend to book last-minute**, an estimated 80% of holidays are sold in the last four weeks before departure.

- **The majority of Russian tourists** (middle and lower middle class in particular) **prefer to travel in groups.**

- **They like the reassurance of branded hotels and all-inclusive trips.**

- Potential visitors tend to **use the internet for comparing prices of flights and hotels** but actual booking tends to be through the travel agent.

- Working through tour operators, **travel agents make up about 50% of all bookings and sales** in Russia.

Source: "Russia Visitor Characteristics," Visit Britain, 2017.

Visit Finland

Sources:
"Multifunctionality of TripAdvisor- What makes TripAdvisor the Preferable Travel Web Site among Russians," Kajaanin Ammattikorkeakoulu University of Applied Sciences, 2017.
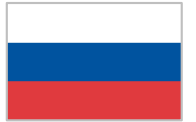"Russia Visitor Characteristics," Visit Britain, 2017.

Russia – Digital Travel Channels

Overview

During the last year alone the Russian online travel market increased by 37%, with all segments demonstrating growth. Air tickets accounted for more than half of the market volume last year while hotel bookings accounted for just 16%. Transport companies are more successful in expanding their audiences than online travel agencies (OTA).

Most Russian tourists search for information on travel using search engines such as Google or Yandex as well as social media sites like Vkontakte and Odnoklassniki.

For booking accommodations, Russian travelers that used online channels for booking flights preferred to book directly with the airline to booking through an OTA. When it came to booking hotels, **Russians** much preferred booking through an OTA website or app (Phocuswright, 2015).

Online sales of online travel services in Russia
(2010-2017, in billion rubles)

Year	Value
2010	70
2011	120
2012	190
2013	280
2014	415
2015	540 (+30%)
2016	740 (+37%)

Top travel websites in the Russia taken from SimilarWeb, ranked by share of traffic.

Online sales of travel services in Russia are growing rapidly.

Visit Finland
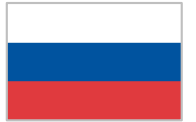
General Travel	General Tourism	Accommodation & Hotels	Airlines & Airports
1 tutu.ru	1 tripadvisor.ru	1 booking.com	1 aviasales.ru
2 booking.com	2 blablacar.ru	2 trivago.ru	2 aeroflot.ru
3 tripadvisor.ru	3 tophotels.ru	3 airbnb.ru	3 s7.ru
4 blablacar.ru	4 skyscanner.ru	4 ostrovok.ru	4 onetwotrip.com
5 aviasales.ru	5 tourister.ru	5 101hotels.ru	5 uralairlines.ru

Sources:
"Russian online travel market reached $11.2 billion in 2016," Russian Search Marketing, June 2017.
"A Rising Middle Class Will Fuel Growth in Russia," Nielsen, 2013.
"Russia Visitor Characteristics," Visit Britain, 2017.
"The Mobile Effect: Disrupting the Competitive Landscape in the Digital Travel Market," Phocuswright, 2015.

Russia – Digital Travel Channels

Figure 5: Online Channel Used to Book Flights (Last Trip)
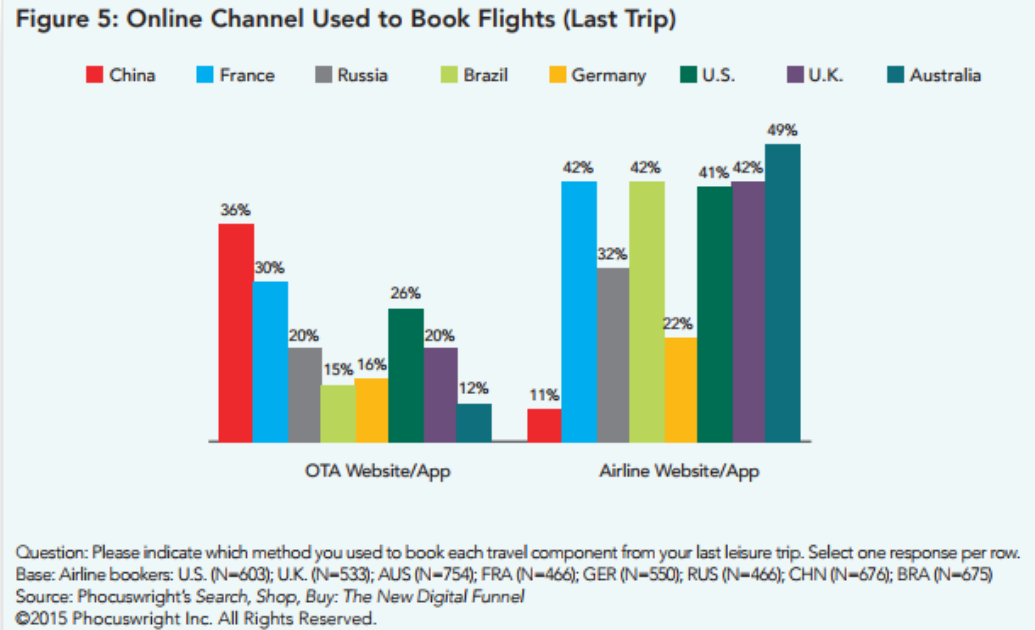
Russian airline bookers prefer to book directly through the airline website...

Figure 6: Online Channel Used to Book Hotels (Last Trip)
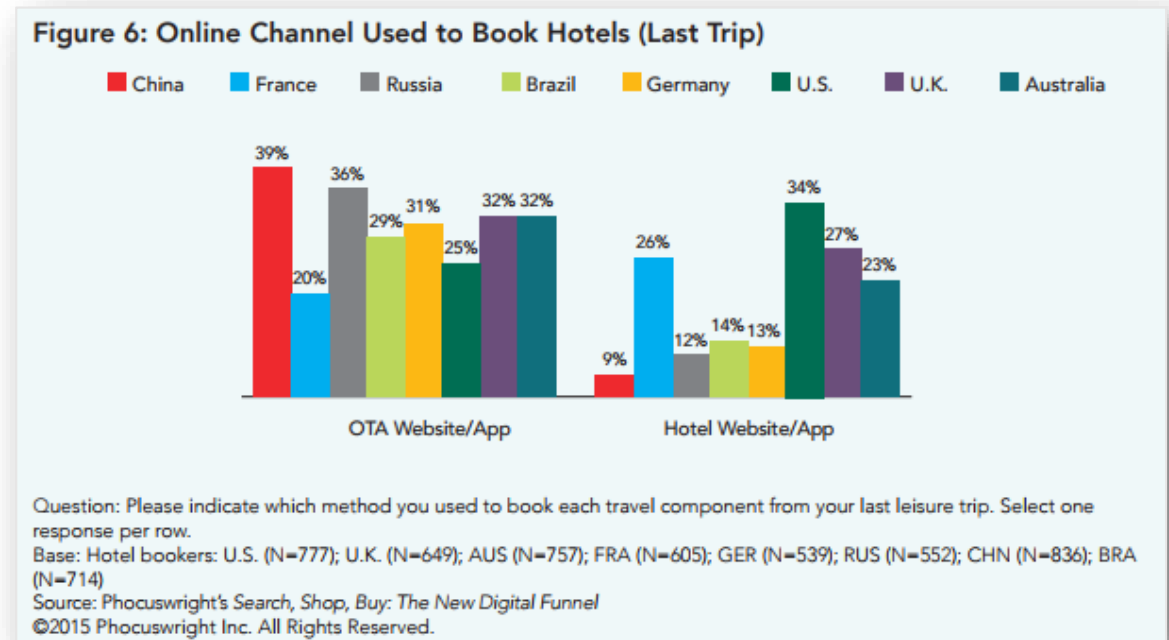
Russian hotel bookers prefer using OTA websites and apps...

Russia – Digital Travel Channels
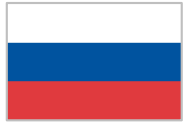
Russia's online travel market continues to grow

Russia has the largest online population in Europe, and the online travel market is expected to continue its rapid rise.

In the span of six years — from 2010 to 2016 — the volume of the Russian e-travel market grew tenfold, hitting 740 billion rubles last year (nearly $11.2 billion at the average exchange rate), according to research agency Data Insight cited by Hotelier.pro.

Global online travel conglomerates Priceline and Expedia are well behind the local online travel market leaders in Russia because locals are better equipped to market and serve customers in their home market.

While many people in Russia may use the Internet to research a trip, the Russian upper-middle class, as well as citizens aged from 18 to 39 years of age, are the most promising audiences for the e-travel market to grow further, according to Russian research agency Data Insight.
(*Russian Search Marketing*, 2012)

Leading Russian Travel Sites

Aviasales.ru: Launched in 2008, Aviasales.ru has more than 1.5 million unique visitors each month and over 17 million total visits. It offers the most **comprehensive travel planning** for Russian-speaking users. In addition to offering a search function for airline tickets, the site also allows users to search for hotels.
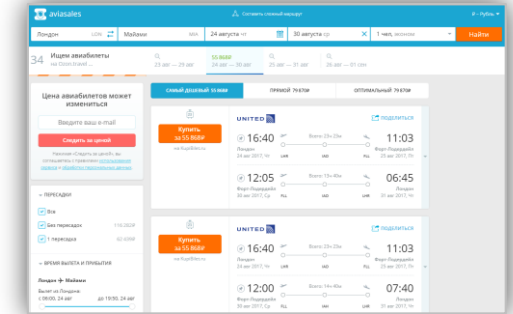
Travel.ru (formerly Oktogo.ru): Travel.ru is one of the most visited online travel portals in Russia. It **publishes travel-related online content** in Russian such as travel news, guides to popular destinations and countries, tips on getting tourist visas and special offers from airlines and tour operators. The firm, which recently launched airline ticket sales, is soon to add online hotel booking to its website.


Visit Finland

Sources:
"Russian online travel market reached $11.2 billion in 2016," Russian Search Marketing, June 2017.
"Top 5 Online Travel Companies in Russia," The Moscow Times, 2012.

Russia – Digital Travel Channels

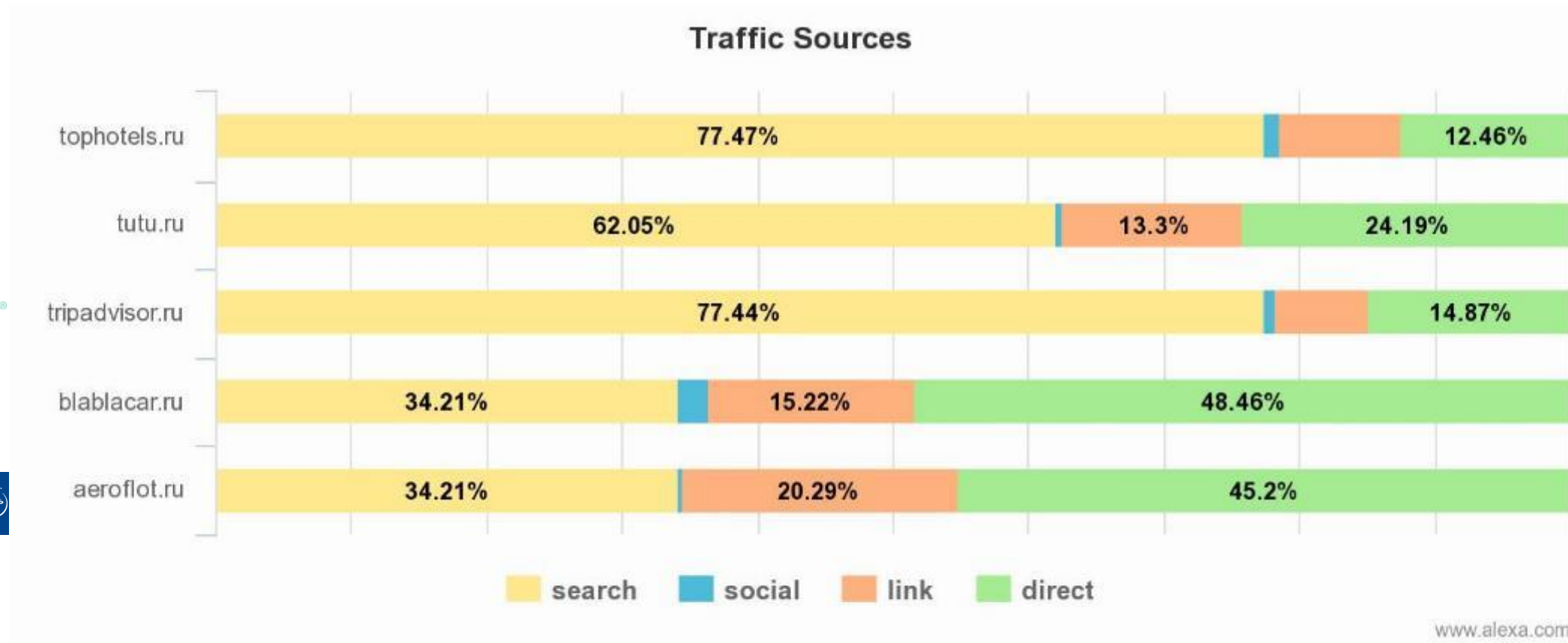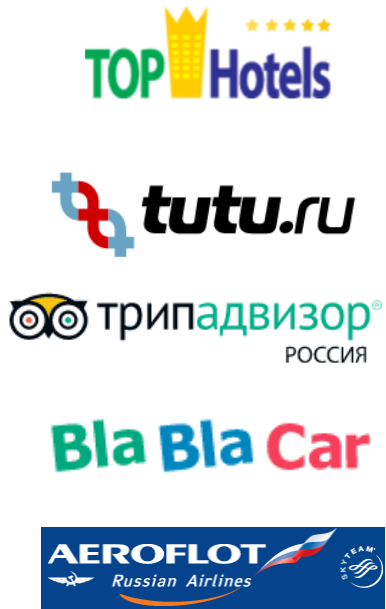| Site	Monthly Visits* (July 2017)	Web Rank (In Country)	Bounce Rate	Average Time on Page	Top 5 Keywords	Basic Demographics	Upstream traffic
Tophotels.ru	12.5M (+8%)	#210	23.4%	11:46 min	1. Tophotels 2. Maya golf hotel 3. Alva donna world palace 4. Papillon belvil 5. топхотелс	• Majority **female** • Majority with **graduate education** • Majority **with children** • Lower income, over-represented in **USD $0-$30k income bracket** • Majority between **25-44 years old**	77% of traffic comes from search engines, 13% of people come from google.ru. Less than 1% traffic comes from social. Most referral traffic comes from rutraveller.ru and turpoisk.ru.
Tutu.ru	27.42M (+8%)	#82	35.3%	4:50 min	1. Ржд 2. Туту 3. расписание электричек 4. жд билеты 5. Tutu	• Majority with **graduate education** • Majority **with children** • Over-represented in **USD $0-$30k income bracket** • Majority **65+ years old**	62% of traffic comes from search, 25% of people visiting come from google.ru. Less than 1% of traffic comes from social, 61% of that is from Vkontakte (Russian Facebook).
Tripadvisor.ru	23.0M (+16%)	#148	59.5%	3:30 min	1. Tripadvisor 2. Москва 3. санкт петербург 4. анур тур 5. рестораны киева	• Majority **female** • Majority **with children** • Over-represented by **35-44 year olds** • Majority with **graduate education** • Majority make between **USD $0-$30k**	77% of traffic comes from search, 16% of people comes from google.ru. Less than 1% comes from social, with 46% of that from Vkontakte and 28% from Facebook.
Blablacar.ru	9.77M (+14%)	#172	21.7%	8:42 min	1. бла бла кар 2. Blablacar 3. Bla bla car 4. Блаблакар 5. попутчики	• Majority **male** • Over-represented by **35-54 year olds** • Majority with **graduate education** • Majority make between **USD $0-$30k**	34% of traffic comes from search, 17% of traffic comes from google.ru. About 2.1% comes from social, 67% of which comes from Vkontakte, 16% from YouTube.
Aeroflot.ru	9.19M (-2%)	#320	32.4%	6:05 min	1. Aeroflot 2. Аэрофлот 3. aeroflot.ru 4. аэрофлот бонус 5. aeroflot bonus	• Over-represented by **35-44 year olds** • Majority with **graduate education** • Majority **with children** • Majority make between **USD $0-$60k**	34% of traffic comes from search, 19% of traffic comes from google.ru. Less than 1% comes from social, 45% of which comes from VKontakte.

These Digital Selling Platforms represent a selection of the top travel websites in this market. They include websites that fall under the categories of OTA, metasearch, comparison and ratings and supplier sites. Sites were identified through a review of published articles on top travel sites, depth interviews, and further analysis using Alexa and Similar Web where possible.

Russia – Digital Travel Channels

Traffic Sources

	search	social	link	direct
tophotels.ru	77.47%			12.46%
tutu.ru	62.05%		13.3%	24.19%
tripadvisor.ru	77.44%			14.87%
blablacar.ru	34.21%		15.22%	48.46%
aeroflot.ru	34.21%		20.29%	45.2%

www.alexa.com

These Digital Selling Platforms represent a selection of the top travel websites in this market. They include websites that fall under the categories of OTA, metasearch, comparison and ratings and supplier sites. Sites were identified through a review of published articles on top travel sites, depth interviews, and further analysis using Alexa and Similar Web where possible.

Russia – Digital Travel Marketing

Overview

Russian travellers are becoming more technologically savvy, and they are heavily influenced by travel blogs and social media. Top Russian travel blogs include Travel.ru and travel.yandex.ru.

In Russia, social media is used for personal interactions and sharing content, rather than looking for commercial offers. The two most used social network sites were Russian in 2016 (Vkontakte and Odnoklassniki).
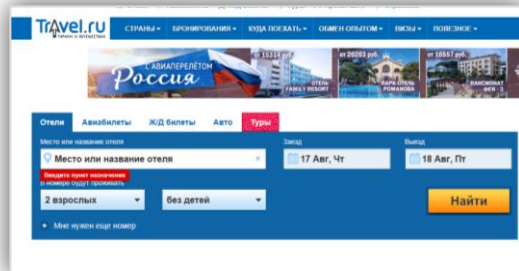
Travel.ru is a popular site for research but also for booking travel.

Travel.yandex.ru offers both research and ratings as well as booking capabilities.
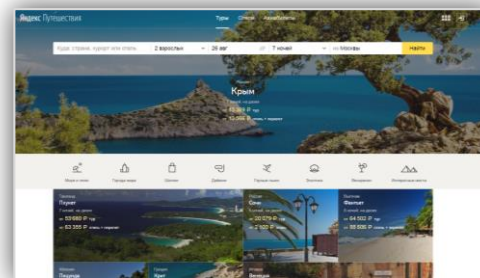
Social media websites ranked by importance according to marketing professionals in Russia between June and August 2015

Share of respondents

Platform	Share
Facebook	97%
Vkontakte	55%
YouTube	43%
Instagram	37%
LinkedIn	25%
Twitter	20%

Visit Finland
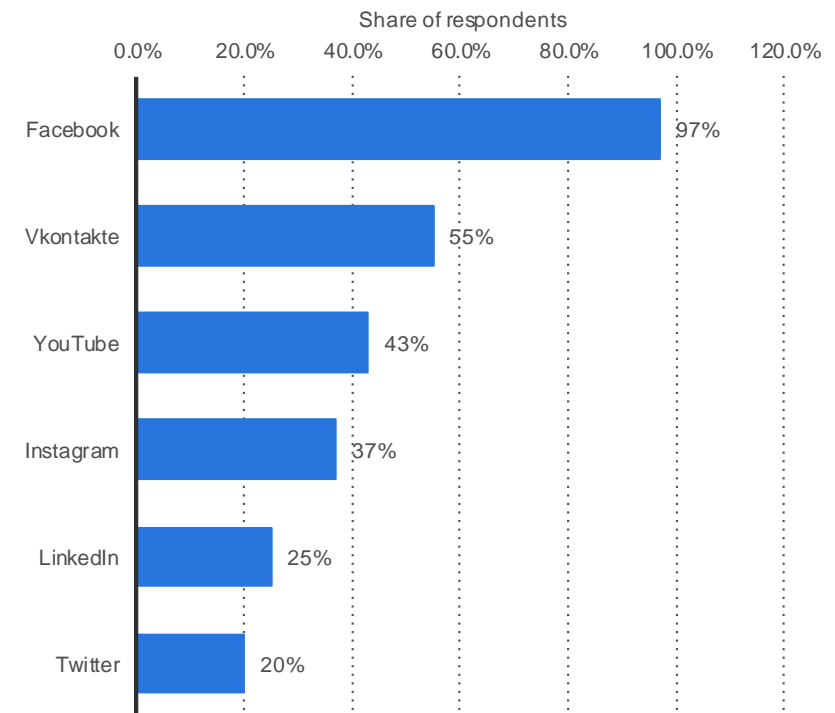
Russia – Expert Spotlight

Mila Novichenkova
*Communications Director,
Ipsos Comcon*

How would you describe the current state of the travel and tourism industry in Russia?

Current situation: very volatile. Continued interest by government in balancing internal and out-bound tourism. New fees imposed on internal resort travel aimed at building infrastructure mean rising prices for travelers. On other hand, safety situation in destination lands (Turkey, Egypt) continues to be uncertain. At the moment, exchange rate for Euro is going up again – to potential negative effect of out-bound travel. Still, desire for beach rest especially is strong.

"The situation is very turbulent, that's the best way to describe it. Very active attention is being paid to it by the lawmakers, there are constant discussions right now - the last thing I've heard has been regarding a resort fee in Crimea. What's being discussed also is a fee for Russians exiting the country. The are eternal discussions about balancing out internal and out-bound tourism, especially in connection to Turkey and the crowds it is drawing."

"I would look at our [Russian-ed.] data on a six-month basis, or maximum one year... I don't have that most recent data, but in general you can see based on the news that the process is very active, the topic is always discussed. In addition to that, what really adds flame to the fire are the problems of the volatile situation with terrorism. It's a constant fear, a constant insecurity, and it's reflected in the problems with flights. Charter companies keep having accidents... That's another area of discussion: should charter flights be banned?"

"This is a very lively market segment, and it's hard to tell what will happen with it."

"And yet despite [constant coverage of Turkey- ed.] Russians approach extremes and the ability to go on vacation despite everything, to get closer to the sea and the sun, since we do not have a lot of these resources ourselves."

Visit Finland

Russia – Expert Spotlight (continued)

Mila Novichenkova
*Communications Director,
Ipsos Comcon*

What are some emerging trends you see in the travel and tourism space in this market?

Notable: new popular destinations are Georgia and Armenia. Iceland appears to be a popular rugged destination: presents something to conquer, including as camping destination – despite comparatively high price.

Independent tourism (vs. tours) was on rise last year during prohibition for tourism to Turkey. Travelers report getting a better value for their money with more control. But the return of an all-inclusive option in Turkey means less planning, research, ultimately work for traveler. Predicts moderate rise in individual travel, if any.

Internet booking may be on rise, but Mila predicts booking of tours, rather than individual travel.

"In terms of European travel, there is a relevant factor here, the Euro has started to climb again - perhaps this is a summer trend, it's hard to say what will happen after that. And of course the price of travel is going up."

"I can't say that this is a mass phenomenon - of course you can't compare it with Turkey - but travel to non-standard countries is up. **For instance: Iceland has been really attractive recently.** Obviously, these are quite expensive tours, not something you'd do on your own. There are special tour companies that specialize in non-beach tourism. What's involved here is an overcoming of something, sports, mountains, sometimes in tents. Jeeps, insurmountable geyser areas. All of this is not mass tourism, but I see more and more offers for this kind of travel. There are more choices. And in price they are much more expensive than a Turkish vacation."

Mila's comments about Iceland were confirmed by Inga Pálsdóttir, Director of Visit Iceland. Russian visits to Iceland are up 90.4% from 2016.

Visit Finland

Russia – Expert Spotlight (continued)

Mila Novichenkova
*Communications Director,
Ipsos Comcon*

How do people in Russia tend to make travel decisions?

Major factor: whether traveler has a European visa. If so, can go on shorter, even weekend trips to Europe, especially from Moscow, St. Petersburg.

Travel options are a decisive factor. Whatever the vacation itself, potential of bad experiences traveling there and back has a major influence. Southern regions prefer to simply travel to Russian resorts (Sochi, etc.) because can drive there with greater comfort, less spending. **For St. Petersburg region, Finland has similar appeal.** On other hand, Kamchatka, Altai, despite being internal, seen as more exotic, less affordable destinations. (Price is significantly greater from Moscow than many European destinations.)

"European travelers tend to come from Moscow just because it's closer. **Finland is best for those in St. Petersburg because of course it's close**."

"But in general, it really depends on who you are talking about. What people? I have seen presentations where online marketers analyze the behavior of customers who've come to look for a tour and how they make last-minute decisions. It's a specific question that needs a specific answer."

"Muscovites tend to go to Europe. Someone from the Far East will end up more often in China and the rest of Asia. The way really determines everything else. A lion's share of the cost will be the travel, plus there is this factor… that everything can be great, but travel there and back can spoil the whole experience."

How do consumers typically research and purchase travel products?

No statistics available offhand, but believes mostly through search engines, without loyalty to particular blogs or platforms.

"People who research independent trips have a different perception of their travel. They are less sensitive to the service, they more often choose accommodations other than a hotel, like renting an apartment, an AirBnB."

Russia – Expert Spotlight (continued)

Mila Novichenkova
Communications Director, Ipsos Comcon

What are the most popular destinations for tourists traveling outside of the country?

Europe as a whole still most popular destination continent. Half of all travel to Europe. Bus tours – an affordable option. Requires less time commitment than resort vacation in Turkey.

European-bound tourism: largely from Moscow, St. Petersburg (especially for Finland) Spain, Greece continue to be popular for beach holidays.

"European travel includes a very broad cost spectrum, for instance you might have short bus tours. Often people who have an open visa they've gotten for business use the opportunity to go somewhere just for the weekend. That turns out to be a rather budget option - just to walk around a particular city."

"European travel is quicker. If you're talking about a seaside vacation, it's likely to be from two weeks onward - a more serious undertaking."

What types of marketing channels influence travel and tourism behavior in this market?

Marketing, including country-specific channels include outdoor (physical) advertisements; TV; internet. Places particular emphasis on popularity of XX country days (Japan days, Finland days, etc.) as a promotion method. These can be combined with social media, flash mobs, etc.

Georgia – particularly social media-driven trend. A lot of unpaid promotion by travelers, both as summer and winter (skiing) destination.

Main social media channels: FB (elite); VK (Moscow, large cities; lend themselves to more expensive/foreign trips); Odnoklassniki (more popular outside major cities; destinations discussed more likely to be internal).

"Again, it really depends on the target: are we looking for high-end tourists or more casual? Many representative offices of particular countries make up about half of all advertising in the country. So we're not looking at individual tours, but rather a whole country. All channels of communication are used, from physical signage to digitals to new formats, like 'country days.'"

"The country days are a positive engagement that can be shared, and include a flash mob - why not? I think social networks are an effective channel for tourism. Georgia, for instance, has snowballed."

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Russia – Expert Spotlight (continued)

Mila Novichenkova
*Communications Director,
Ipsos Comcon*

What are the biggest digital travel platforms in Russia?

Influential platforms: Tophotels, Ostrovok, Tripadvisor. However, does not believe in great loyalty to individual platforms. Travelers largely reliant on browser searches.

"We don't have any ratings of these things. Generally, you just plug in what you're looking for into the search engine, and you just look and read what's there, looking at how recently it was posted. The resources that come out on top in the search engine are those that get used. Many destinations have special sites."

Which key digital channels are used for purchasing products versus researching trips?

Booking.com, AirBnB (currently a lot of promotion).

"Everyone's concerned with the commission. How much is it on Booking, how much is it somewhere else?"

Why, in your opinion, are some channels more successful at attracting consumers than others?

Again, does not believe in success of particular channels of marketing. Quality and forethought of advertising determines success. Example: useless for Iceland to promote on TV because it is not a mass market but an elite destination.

"You can't say 'this channel works, that channel doesn't.' You can take a working channel and engage non-working creativity, and you'll get something useless - the issue is not the channel."

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Russia – Recommendations

Overview

The **Russian travel industry represents a large potential opportunity for travel and tourism companies within Finland**. Russian travelers already travel to Finland in great numbers, and a growing interest in both tours and independent travel outside of Russia may allow Finnish companies to capitalize. The **Russian digital travel market is controlled mainly by major OTAs,** but Russian digital travelers rely heavily on search and social, and they are not very brand loyal when picking providers. Companies must find ways to stay relevant in a market where things tend to change quickly.

Channel Recommendations

Focus on large Moscow and St. Petersburg markets to increase sales of more tours and activities in Finland
- Russians in the west of the country are more likely to book short duration trips to Finland.
- Russian consumers already travel to Finland in great numbers, driven by proximity and ease of access.
- Anecdotally, middle and higher-income consumers are looking for more exotic tours that will provide them with unique activities.

Make sure destination and tour websites are optimised for mobile and searchable in Russian language
- A majority of Russian travelers start their travel research process on search engines.
- Ensure posts are up-to-date and information is kept fresh to improve SEO and drive more traffic.

Social media will grow in usefulness for marketers, especially Facebook
- Facebook remains a popular social media network for more affluent Russians.
- Vkontakte and Odnoklassniki are important Russian-centric social media networks which marketers should also look to work with when advertising.

Visit Finland

Japan

Key Points

- Japanese consumers purchase have a the world's highest share of online purchases on mobile and the highest conversion rate through mobile.

- Tourists are put off European travel due to issues surrounding the language barrier and safety.

- 69% of Japanese travellers will book their holidays online (67% will book accommodation online)

- They use a variety of platforms and devices to research and book travel, often booking flights and accommodation separately.

Japan – Country Overview

Overview

The Japanese travel industry is specialised and is a customer-focused sector
Many travel agencies have increased their online presence as travel booking via the internet has become more common – however, **85% of all long haul travel is still booked through a traditional 'high street agent'.**

Key Travel Drivers

- Men in their 40s, followed by men in their 30s, men in their 50s, and women in their 20s are **most likely to travel abroad**.

- **Word of mouth factors very highly in the consumer decision-making process.**

- Leisure travellers generally prefer to stay in 3-star or even higher categories of hotels, with **Japanese women (in the 20s and 30s) prefer to stay in greater luxury - 4 or 5 star hotels** and students preferring budget accommodation.

- **There is a preference for quick service**, breakfast buffets, set-meal lunches and express check-in for groups. **Small touches will be noticed and appreciated.**

Key Facts & Figures	
GDP	$2.221 trillion (2016 est.)
GDP Growth	0.8% (2016 est.)
Outbound Travel	22,300,000 trips (2016)
Total Outbound Expenditures	USD $23.6 Billion (2016)
Average Expenditure Per Trip (Outbound)	~ USD $1122 (2016)
Average Expenditure Per Night (Outbound)	~ USD $120 (2016)
Population	126,702,133 (July 2016 est.)
Median Age	46.9 years
Population Growth	Decreasing -0.19% (2016 est.)
GDP (Per Capita)	USD $38,900 (2016 est.)

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Japan – Digital Travel Landscape

Demographic detail

Travel is one of the few areas of e-commerce to be expanding in Japan, seeing a 5.4% growth in 2016. They are also a high value market, with the average household spending $5,035 per intercontinental trip.

Men in their 40s are the most, followed by men in their 30s, men in their 50s, and women in their 20s are most likely to travel abroad. However, in recent years both male and female over 60s (senior generation) have grown remarkably, whereas in young people in their twenties, the declining trend has been continuing since about 2000.

Importance to Visit Finland

Travel is one of the few sectors growing in Japan when it comes to ecommerce, so there is an opportunity to exploit this, as marketing is more likely to gain traction here when compared to other platforms and industries. There is also room to market to all age groups, as the elderly market is now growing.

What motivates Japanese tourists when visiting the US

Category	Percentage
Dining/gastronomy	59%
Cultural Historical Attractions	57%
Shopping	38%
Local Lifestyle	30%
Beaches/Seaside Attractions	26%

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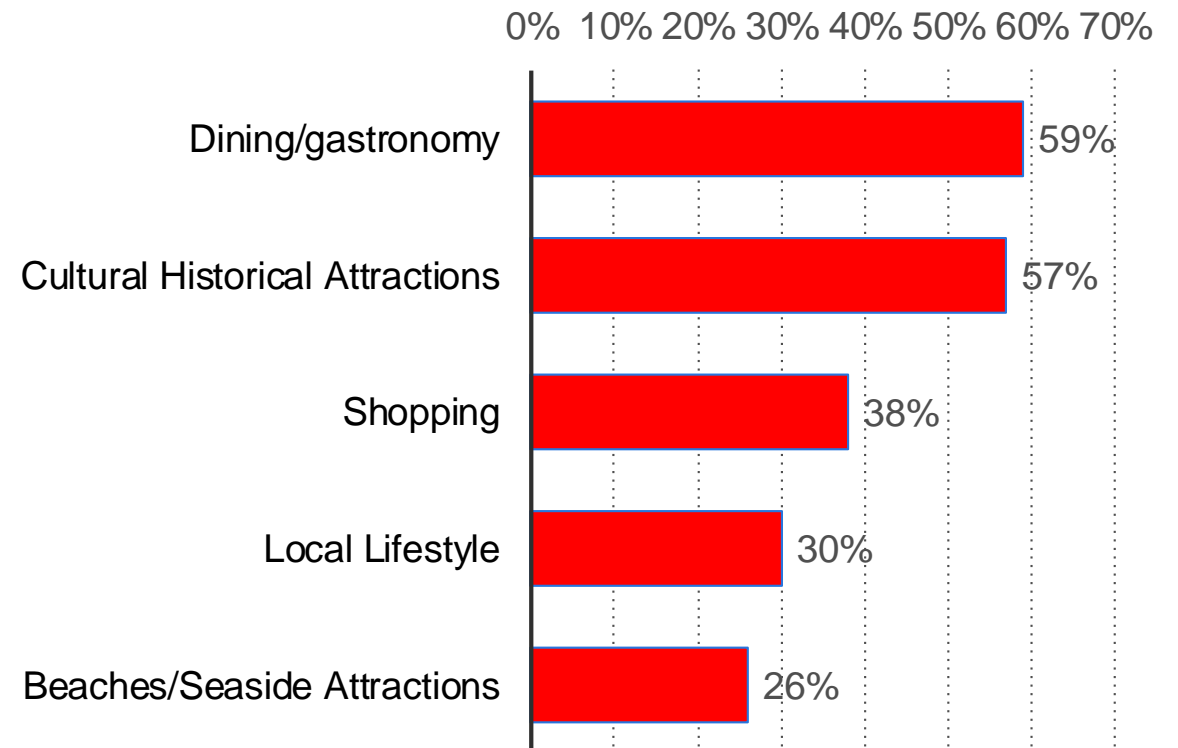
Japan – Digital Travel Landscape

Japanese tourists value safety

Tourists wanting to visit the EU are put off by the language barrier and safety according to a JTB survey. The recent spate of terrorist attacks have made headlines in Japan, and travellers are tempted to choose destinations where this is deemed to be less of a threat. They are also more likely to choose destinations where Japanese language services or Japanese speaking guides can be offered. As well as safety a DeNA travel survey reported that easy to book and relaxing trips are also important.

Low growth in Northern Europe

According to a European Tourism: Trends and Prospects report growth in Northern Europe is relatively low when compared to other parts of the globe, but Iceland appears to be bucking that trend, with record growth when compared to other European nations.

Importance to Visit Finland

Due to recent terrorist attacks across the EU it is key for Visit Finland to communicate the rarity of being caught up in one. It is also worth investigating why Iceland's recent tourism boom to both Japan and elsewhere has been so successful.

Japan Long Haul* Outbound Travel

Visits, 000s

Rest of Long Haul | Central/Eastern Europe
Southern Europe | Western Europe
Northern Europe

*Long haul defined as tourist arrivals to destinations outside Northeast Asia
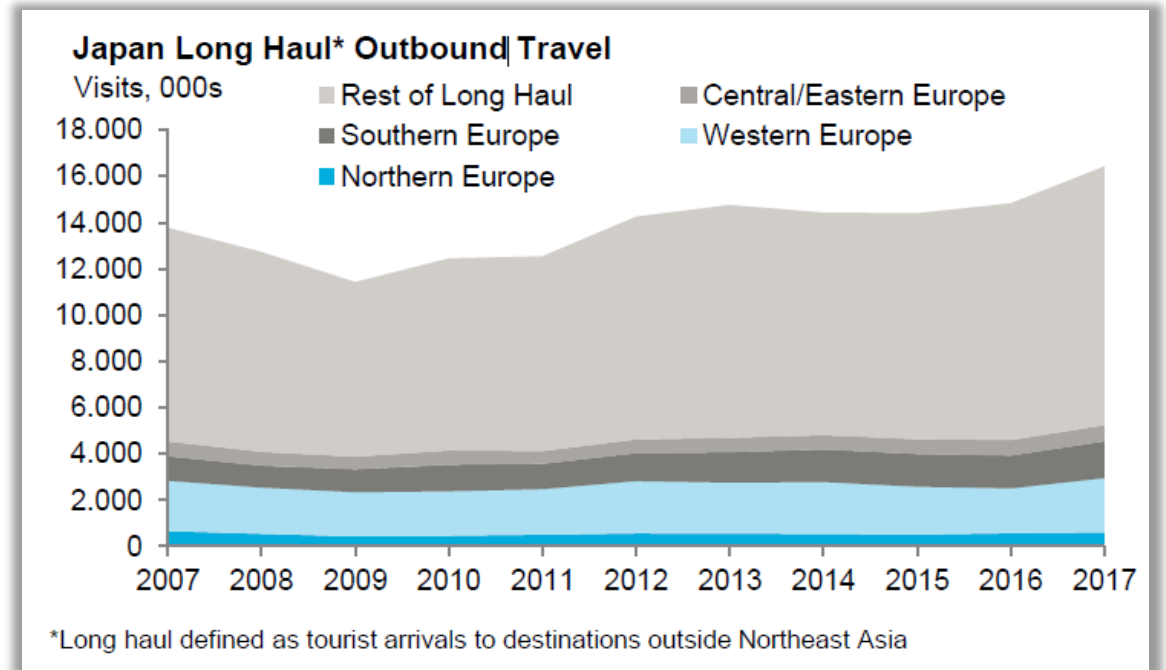
Japan – Digital Travel Landscape

Online booking is popular and increasing

The Japanese rely on digital channels when planning and booking travel. According to JTB Tourism Research and Consulting and MakreZine 69% of Japanese travellers booked travel online (67% for accommodation) and **usually use OTAs and airline websites to book**.

As Japanese travellers increasingly emphasise on ease and convenience, many prefer a trip which can be booked solely online, without the need for a physical travel agent.

Various sources quote Japan has the world's most mature M-Commerce market in terms of % of online transactions at 49%. Rakuten, a popular selling platform, are adept at targeting mobile custom, meaning Japan has the world's highest mobile conversion rate.

M-commerce sales in Japan

© Statista 2017

Sources:
JTB Tourism Research and Consulting
Markezine
DeNA travel survey report 2015
Japan ecommerce summary
Statista m-commerce in Japan
Japan leads the world in m-commerce
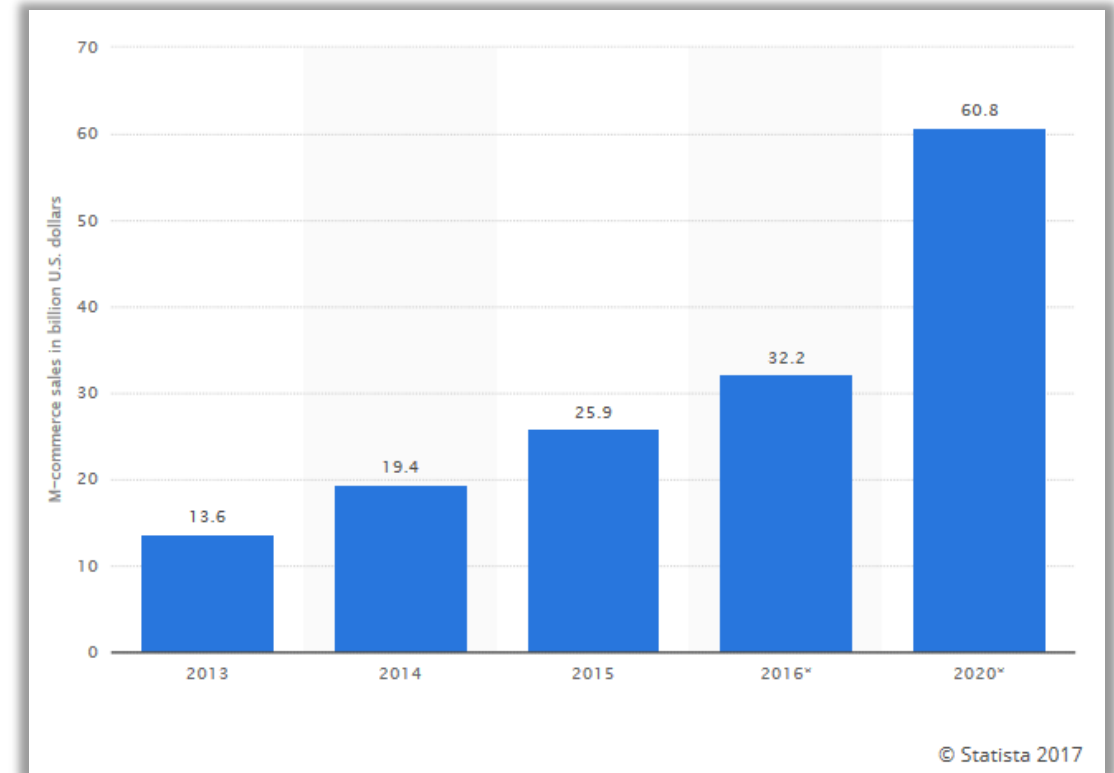
Japan – Digital Travel Channels

OTAs and Airline sites dominate the selling platforms

The Japanese are very likely to book holidays online, so it is key to market them through OTAs and airline sites, as well as search engines in order to capitalise on this growing market

- Online travel websites such as **Rakuten Travel**, and **Jalan** are widely used by Japanese travelers when booking holidays abroad. **i.JTB and Ikkyu** are also used for foreign travel.

- **ANA and Japan Airlines** also popular for booking, as the Japanese are becoming more inclined to book flights and accommodation separately.

Travel websites ranked by visitors market share for international travel in Japan

% share

Rakuten	31%
Jalan	31%
i.JTB	12%
Ikkyu	3%
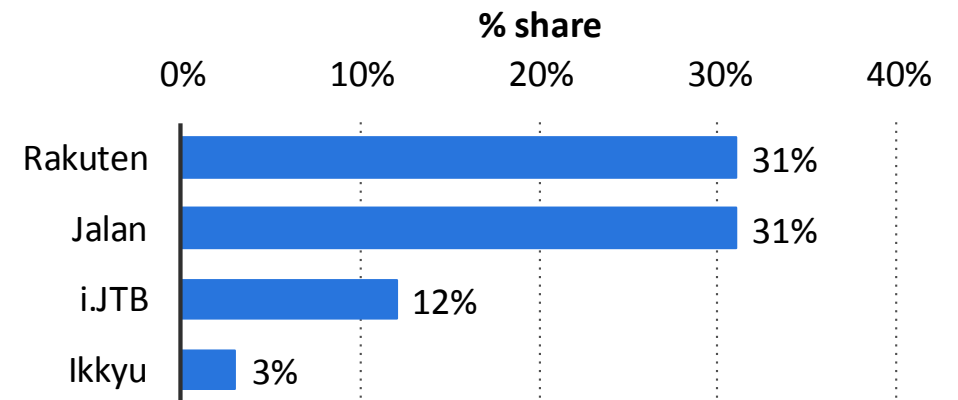
Top travel websites in the Japan taken from SimilarWeb, ranked by share of traffic.

General Travel
1	jalan.net
2	travel.rakuten.co.jp
3	navitime.co.jp
4	tripadvisor.jp
5	retrip.jp

General Tourism
1	navitime.co.jp
2	tripadvisor.jp
3	ekikara.jp
4	jr-odekake.net
5	tour.ne.jp

Accommodation & Hotels
1	jalan.net
2	booking.com
3	hotel-story.ne.jp
4	trivago.jp
5	happyhotel.jp

Airlines & Airports
1	ana.co.jp
2	jal.co.jp
3	jetstar.com
4	skymark.co.jp
5	vanilla-air.com

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Japan – Digital Travel Channels

Site	Monthly Visits* (July 2017)	Web Rank (In Country)	Bounce Rate	Average Time on Page	Top 5 Keywords	Basic Demographics	Upstream traffic
Jalan.net	26.8M (+23%)	#115	33.5%	6:38 min	1. じゃらん 2. 京都 3. ホテル 4. 東横イン 5. 温泉	• Majority **female** • Majority with **college education** • Majority **without children** • Over-represented in **USD $30k-$100k+ income bracket** • Majority between **35-54 years old**	62% of traffic comes from search engines, 34% of people come from google.co.jp. Less than 1% traffic comes from social, 36% of that comes from Twitter, 27% from Facebook.
Travel.rakuten.co.jp	23.9M (+8%)	#73 (SimilarWeb)	28.4%	7:59 min	1. 楽天 2. 楽天トラベル 3. 楽天カード 4. rakuten 5. ラクマ	• Majority with **college education** • Majority **without children** • Over-represented in **USD $30k-$60k income bracket** • Majority **35-64 years old**	21% of traffic comes from search, 17% of people visiting come from google.co.jp. Less than 1% of traffic comes from social, 50% of that is from Facebook, 28% from YouTube.
Navitime.co.jp	19.5M (+13%)	#207	39.4%	4:36 min	1. ナビタイム 2. navitime 3. ヤマト運輸 4. 佐川急便 5. セブン銀行	• Majority **with children** • Over-represented by **35-44 year olds** • Majority with **some college education** • Over-represented in **USD $30k-$100k+ income bracket**	58% of traffic comes from search, 53% of people comes from google.co.jp. Less than 1% comes from social, with 36% of that from Twitter.
Ana.co.jp	14.0M (+3%)	#127	23.1%	6:51 min	1. Ana 2. 楽天トラベル 3. Ana airlines 4. All Nippon airways 5. ana マイレージ	• Majority **45-54 year olds** • Majority with **graduate or college education** • Over represented in **USD $100K+ income bracket**	34% of traffic comes from search, 19% of traffic comes from google.co.jp. Less than 1% comes from social, 46% from Facebook. Top referrals from pointtown.com and navitime.co.jp.
Tripadvisor.jp	13.2M (+13%)	#259	59.2%	2:44 min	1. エクスペディア 2. トリップアドバイザー 3. 名古屋 4. 神戸 5. Tripadvisor	• Over-represented by **35-54 year olds** • Majority with **college education** • Majority **without children** • Majority make between **USD $30k-$60k**	80% of traffic comes from search, 50% of traffic comes from google.co.jp. Less than 1% comes from social, 79% of which comes from Facebook.

These Digital Selling Platforms represent a selection of the top travel websites in this market. They include websites that fall under the categories of OTA, metasearch, comparison and ratings and supplier sites. Sites were identified through a review of published articles on top travel sites, depth interviews, and further analysis using Alexa and Similar Web where possible.

Japan – Digital Travel Channels

Traffic Sources

Website	search	social	link	direct
jalan.net	61.96%			27.52%
rakuten.co.jp	21.43%		37.26%	40.97%
navitime.co.jp	57.72%			33.61%
ana.co.jp	41.03%			50.08%
tripadvisor.jp	80.27%			15.08%

Legend: search / social / link / direct

www.alexa.com

These Digital Selling Platforms represent a selection of the top travel websites in this market. They include websites that fall under the categories of OTA, metasearch, comparison and ratings and supplier sites. Sites were identified through a review of published articles on top travel sites, depth interviews, and further analysis using Alexa and Similar Web where possible.

Japan – Digital Travel Marketing

Overview

In Japan the marketing channels used to influence travellers can be split into three categories, with the latter two also being used for purchasing:

- Search engine (Google, Yahoo are two major search engines)
- OTA and metasearch websites
- OTA and metasearch apps

How to travel the world (Chikyu no arukikata) and TripAdvisor are two most popular forum based websites where Japanese tourists will do research before purchase. Tourists are also fairly fond of blogs, most of which are hosted on Goo or Ameblo.

Top Travel Blogs

Chikyu no arukikata (How to travel the world) is the Japanese Lonely Planet, and they publish blogs and articles online as well as sell guidebooks. It is a trusted and popular source of travel information in Japan

Olive Leaf is the most popular independent blog with 15,240 visitors per month, almost twice as much as the second most visited blog. It focuses on a couple of upload photos and stories of their travels and life in Okinawa.

Japan – Expert Spotlight

Kuotarou Toriumi
Aeronautical and travel analysts, part-time lecturer at Teikyo University

What are some emerging trends you see in the travel and tourism space in this market?

Nowadays, internet including SNS (Facebook, Instagram, Twitter etc. which is called words of mouth) has been very popular in the travel and tourism space in Japan.

What types of marketing channels influence travel and tourism behavior in this market?

More and more consumers use OTA (Online Travel Agent), such as Expedia and Hotel.com, and also Travel blog such as TripAdvisor to check, compare and make decisions. Before, there were only limited options on paper packages for consumers to choose. There are thousands of options available online for consumers to choose now which is why OTA is so popular.

What are the biggest digital travel platforms in Japan?

For overseas travel, Expedia. For domestic travel, Rakuten. Online travel agencies are much stronger than traditional travel agencies.

Which key digital channels are used for purchasing products versus researching trips?

For researching trips: Crea is a major one (Magazine. There is online version also. There are beautiful view pictures and introductions for destinations). There are also many other sites (nothing specific which can be listed up). People usually input key words and do random research according to their needs. For purchasing products: For overseas travel, Expedia. For domestic travel, Rakuten.

Why, in your opinion, are some channels more successful at attracting consumers than others?

The successful ones such as Expedia and Rakuten are very user friendly (easy to use) and little error. Reservations can usually get through without any issues. Once the user info. is registered, it can be used from next time and do not need to input data again. Price is almost similar anywhere but the user friendly websites make them much more popular.

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Japan – Expert Spotlight (continued)

Kuotarou Toriumi
Aeronautical and travel analysts, part-time lecturer at Teikyo University

Do you have experience with promotional campaigns that focus on marketing specific destinations or product types?

Personally I do not have this kind of experience. But I know Travel agencies (Expedia etc.) often use social media such as LINE to provide electronic discount coupons like 5-10% off or 2000-5000 JPY off to attract customers. These coupons are spread on SNS by words of mouth which improves their websites' popularities. Also, if people want the coupons, they will need to register their contacts on LINE. These travel agencies can send info. to the users which can lead to purchase. Additionally some agencies send email magazines to promote travel plans.

What do you think they could do better?

People tend to ignore promotion emails. LINE in Japan is a major social media and many companies have earned good results by using LINE to promote. Good LINE promotion can be very effective.

Which digital channels do these campaigns tend to use most frequently? Why?

Besides to LINE, Apps on mobile phone are frequently use. Some travel agencies have App and some don't. Whether the App is user friendly or not make a big difference. Japanese people are esp. less tolerant about the inconvenience.

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Japan – Expert Spotlight

Ayumi Tokura
Jyaran Net

How would you describe the current state of the travel and tourism industry in Japan?

Traveling aboard in Japan is a mature market. Leisure traveling is around 14% and no change is seen these years. 60% of the travelers are considered as heavy travelers who have more than 10 times travelling experience in the past. There is no change with this ratio either. Average past traveling experience are about 16 times which is in an increasing trend. Heavy travelers travel more and more .

What are some emerging trends you see in the travel and tourism space in this market?

Due to the impact of continuous terrorism these years, in 2016, the travelers to Europe and Middle East Area decreased heavily.

The gap between generations in information handling behavior is also remarkable to see. High usage for seniors is paper media (magazines, newspapers, etc.) and PC for middle layer. Meanwhile, the utilization rate of smartphones in young people is growing steadily. Currently seniors support the market demographically. As the senior citizens peak out in the future, the next will be the bubble generation that will support the market. Millennial generation, which is digital native, will support the market in the future.

Do you have experience with promotional campaigns that focus on marketing specific destinations or product types? What have you seen that works well? What do you think they could do better?

Yes. There are not only coupons and points campaigns for specific area and accommodation reservations, but also for sub-services such as dynamic packages and activity reservations. Extract users to be campaigned from past activity history of users, and optimize the contents of coupons and point campaigns for each user. Results for these targeted campaigns are higher for all users, resulting in a higher investment-to-benefit ratio. Specific figures are unpublished. They could improve by refining One-to-One marketing based on user's behavior history.

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Japan – Expert Spotlight (continued)

Ayumi Tokura
Jyaran Net

What types of marketing channels influence travel and tourism behavior in this market?

- Search engine (Google, Yahoo)
- Travel websites such as OTA, Meta Search
- Apps such as OTA, meta search

What are the biggest digital travel platforms in Japan?

For OTA, Jyaran Net and Rakuten Travel are the top 2.

Which key digital channels are used for purchasing products versus researching trips?

- Application inflow directly to information site and OTA
- Bookmark directly inflow to information site and OTA
- Information site and OTA via search engine (Google, Yahoo)

Why, in your opinion, are some channels more successful at attracting consumers than others?

The use of search engines is more frequent than other search engines because users can acquire information across many services. Besides searching for a trip, everyday search behavior is often via the more successful search engines.

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Japan – Recommendations

Overview

The Japanese digital travel market is very saturated, with around **69% of Japanese travelers booking travel products or services online**. That being said, there is still a large opportunity to attract Japanese travelers as their tastes change and technology develops for sharing travel inspiration. Japanese travellers also increasingly place an emphasise on ease and convenience, and **most now prefer a trip which can be booked solely online without the need for a physical travel agent.**

Channel Recommendations

Look for ways to partner with Jalan.net or Rakuten Travel
- These travel websites are highly ranked by Alexa and SimilarWeb, and they appear to capture the majority of travel related search and booking queries in Japan.
- Consider partnering with them on promotional campaigns and banner advertising.

Mobile booking is a must for Japanese travelers
- Japan has one of the highest mobile ecommerce conversion rates on the planet.
- The Japanese are very likely to book holidays online, so it is key to market them through OTAs and airline sites, as well as search engines in order to capitalise on this growing market. They are also smartphone savvy, so consider a multi-platform campaign.

Partner with local bloggers and influencers to raise awareness about Finland
- The Japanese use a variety of platforms and types of site to research their holidays, so it is key to advertise on popular websites, search engines and apps.
- Look for bloggers and social media influencers on top 3 networks (Twitter, Facebook and Instagram).
- Look at the Japanese LINE advertising platform. More information on how to leverage LINE ads can be found here, or on their corporate website.

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South Korea

Key Points

- **Online searching is used up to the point of purchase and Naver is by the most popular site,** so it is key to market here.

- **Koreans are more likely to buy because of the brand and endorsement as opposed to quality,** but that trend is slowly changing.

- **OTAs and airline websites are most popular** venues for online travel purchasing.

South Korea – Country Overview

Overview

South Korea has demonstrated incredible economic growth and global integration to become a high-tech industrialized economy over the last three decades.

Key Travel Drivers

- **South Koreans like to book accommodations and flights separately,** indicating that they don't rely as heavily on OTAs as other travelers.

- Travelers in this market are very tech savvy, and nearly **three-quarters of travelers make travel related purchases online**.

- **Naver is the dominant search engine** and source of inspiration for travelers in South Korea.

Key Facts & Figures	
GDP	$1.934 trillion (2016 est.)
GDP Growth	2.8% (2016 est.)
Outbound Travel	22,400,000 trips (2016)
Total Outbound Expenditures	USD $8.8 Billion (2016)
Average Expenditure Per Trip (Outbound)	USD ~ $976 (2016)
Average Expenditure Per Night (Outbound)	USD ~ $115 (2016)
Population	50,924,172 (July 2016 est.)
Median Age	41.2 years
Population Growth	Increasing 0.53% (2016 est.)
GDP per capita	USD $37,900 (2016 est.)

Visit Finland

South Korea – Digital Travel Landscape

Digital Channel Overview

South Korea is one of the world's most digitally advanced economies, meaning all citizens are connected at all times. Even the older generations are now shopping online and using the internet to research meticulously before purchase.

Almost 90% of South Koreans now own a smartphone and mobile sales have increased 64% over the past two years.

Online reviews sites are becoming increasingly important, with 93% of hotel owners saying this is important for their business.

Digital based marketing will make a strong impact in South Korea due to the high-usage of the internet across the country, with mobile sales increasing rapidly, but it is also important to understand the provenance of their channels e.g. Naver has the same presence in Korea as Google does in the U.S.

Preferred sources for seeking information

- General internet searching **28%**
- Travel agent (telephone or in person) **16%**
- Travel or guide books **16%**
- Friends or relatives who have been before or live there **15%**
- Online travel agent **14%**
- Tour operator **12%**
- Online hotel booking site **12%**
- Traveller review sites **11%**
- Online flights booking site **10%**
- Been there before **9%**
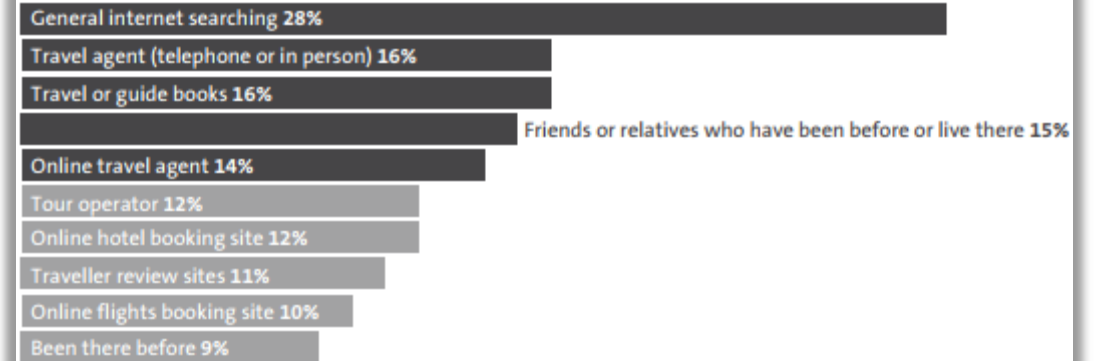
Preferred sources used to book a holiday

- Travel agent (telephone or in person) **37%**
- Travel agent (online) **33%**
- Directly through airline (online) **22%**
- Accommodation provider (online) **19%**
- Directly through airline (telephone or person) **8%**
- Tour operator (online) **7%**
- Tour operator (telephone or in person) **7%**
- Accommodation provider (telephone or in person) **6%**
- Airbnb **2%**
- Other online source **1%**

Sources:
South Korean digital consumerism
How Naver dominates the South Korean search engine market
PFS South Kores eCommerce summary
Trip advisor travel trend 2016
South Korea tourist profile from Tourism Australia

South Korea – Digital Travel Landscape

Digital Channel Overview

South Korean consumers are less likely to focus on value and quality and more likely to focus on brand, but are still likely to go through a stringent research process before purchase, meaning value and quality still hold some value. They are also likely to be swayed by celebrity endorsement or social media influencers.

The new expected concept for 2017 is called "B+ Premium" products - *meaning shoppers will choose well-made products that provide more value for money instead of focusing too heavily on brand-named and over-priced items.*

When asked about their preferences in form of travel purchases, **30.2% showed more interest in purchasing airfare and lodging separately**, rather than purchasing a single package deal (20.3%).

Different age groups had different opinions as well; **those in their 20's (over 50%) and 30's (35.2%) appeared to separate purchases of travel and accommodation**, while the ones who chose package deals, usually with a travel guide, were in their 50's (39.6%).

Travel information sources for tourists in South Korea in 2015

Share of respondents

Source	Percentage
Internet	71.5%
Friends, acquaintances, colleagues	62.5%
Travel agencies	31.3%
Reports	18.8%
Travel guidebooks	18%
Hotels, airlines	6%
Korean organizations	5.1%
I did not seek for information	4.3%
Others	2.3%

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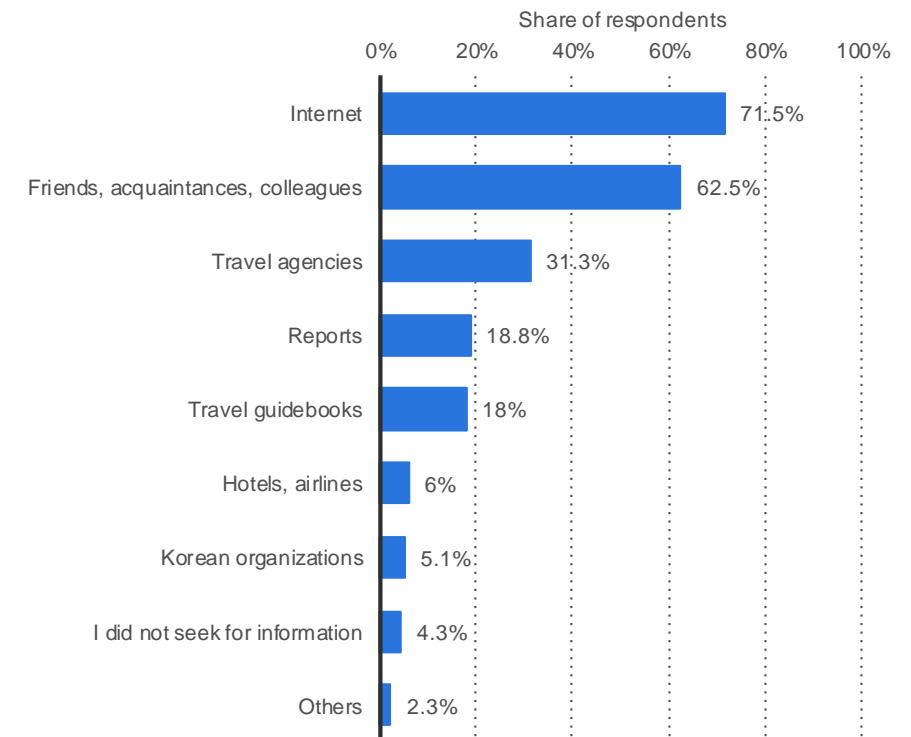
South Korea – Digital Travel Channels

Digital Channel Overview

Despite Naver's dominance when as a search engine and research resource, purchasing, when made online, tends to be made through the globally traditional OTAs, such as Expedia and Airbnb, and metasearch engines, such as Skyscanner, with HanaTour the most popular Korea based metasearch site.

Koreans have a growing tendency to purchase flights and accommodation separately, and **the most popular site is their national carrier, Korean Air, with Asiana Airlines also being popular.**

Over two thirds of Koreans state they do some sort of holiday booking online.

It is important to look beyond Naver and market on other websites, particularly OTAs, as this is where the purchasing tends to take place.

General Travel

1	ondisk.co.kr
2	yabang.org
3	hanatour.com
4	yanolja.com
5	booking.com

General Tourism

1	ondisk.co.kr
2	yabang.org
3	hanatour.com
4	skyscanner.co.kr
5	tripadvisor.co.kr

Airlines & Airports

1	koreanair.com
2	flyasiana.com
3	jinair.com
4	jejuair.net
5	twayair.com

Accommodation & Hotels

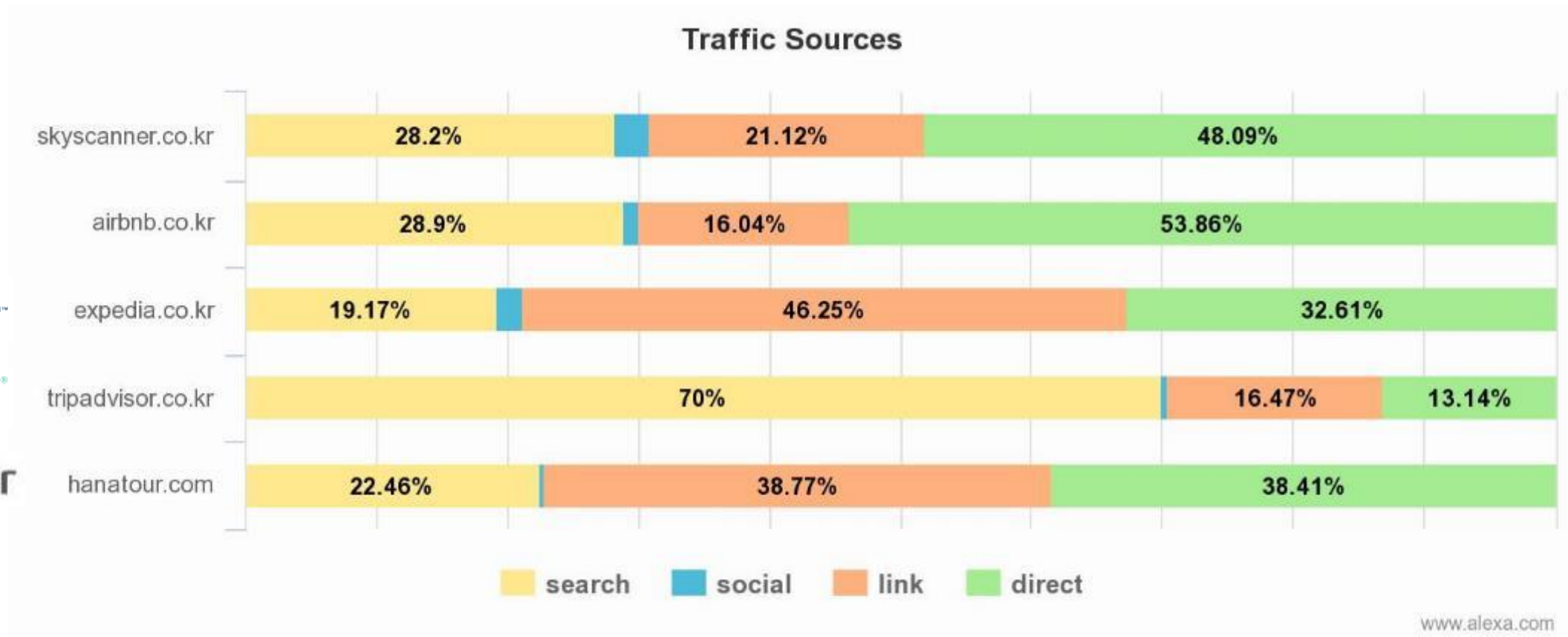| 1 | yanolja.com |
2	booking.com
3	airbnb.co.kr
4	hotels.com
5	agoda.com

South Korea – Digital Travel Channels

Site	Monthly Visits* (July 2017)	Web Rank (In Country)	Bounce Rate	Average Time on Page	Top 5 Keywords	Basic Demographics	Upstream traffic
Skyscanner.co.kr	1.97M (+23%)	#262	17.6%	6:53 min	1. Skyscanner 2. 스카이스캐너 3. 아시아나 4. 대한항공 5. 진에어	• Majority **male** • Majority with **college education** • Majority **without children** • Over-represented in **USD $30k-60k income bracket** • Majority between **25-34 years old**	28% of traffic comes from search engines, 21% of people come from google.co.kr, 18% from naver.com. About 2.3% traffic comes from social, 86% from Facebook.
Airbnb.co.kr	1.59M (+13%)	#351	26.9%	10:58 min	1. 에어비앤비 2. 에어비엔비 3. 먀규ㅜㅠ 4. Air bnb 5. airbnb 한국	• Majority with **college education** • Majority **without children** • Over-represented in **USD $30k-$100k income bracket** • Majority **25-34 years old**	21% of traffic comes from search, 24% of people visiting come from google.co.kr and 23% from naver.com. About 1.2% of traffic comes from social, 73% of that is from Facebook, 17% from YouTube.
Expedia.co.kr	1.6M (+29%)	#244	73.3%	3:08 min	1. Expedia 2. 익스피디아 3. ㄷ텔얌 4. 익스페디아 5. 호텔	• Majority **with children** • Over-represented by **25-44 year olds** • Majority with **college education and graduate school** • Over-represented in **USD $30k-$60k income bracket**	19% of traffic comes from search, 8% of people comes from google.co.kr. About 2% comes from social, with 78% of that from Facebook and 20% from YouTube. Referrals mainly come from tripadvisor.co.uk (17%).
Tripadvisor.co.kr	3.35M (+51%)	#462	53.4%	3:26 min	1. Siro cncjs 2. Siro 추천 3. Tripadvisor 4. 콜로라도 여행 5. 트립어드바이저	• Majority **female** • Majority **55-64 year olds** • Majority with **college education** • Over-represented in **USD $30k-$100k income bracket**	70% of traffic comes from search, 35% of traffic comes from google.co.kr. Less than 1% comes from social, 80% from Facebook. Top referrals from kr.hotels.com and colorofkorea.com.
Hanatour.com	1.71M (+15%)	#348	36.1%	5:31 min	1. 하나투어 2. Hanatour 3. 코타키나발루 4. Sm면세점 5. 하나투어 항공	• Over-represented by **25-34 year olds** • Majority with **college education and graduate school** • Majority **without children** • Majority make between **USD $60k-$100k**	23% of traffic comes from search, 26% of traffic comes from naver.com, 15% from google.co.kr. Less than 1% comes from social, 46% of which comes from Twitter, 39% from Facebook.

These Digital Selling Platforms represent a selection of the top travel websites in this market. They include websites that fall under the categories of OTA, metasearch, comparison and ratings and supplier sites. Sites were identified through a review of published articles on top travel sites, depth interviews, and further analysis using Alexa and Similar Web where possible.

South Korea – Digital Travel Channels

Traffic Sources

		search	social	link	direct
skyscanner	skyscanner.co.kr	28.2%		21.12%	48.09%
airbnb	airbnb.co.kr	28.9%		16.04%	53.86%
Expedia.co.kr	expedia.co.kr	19.17%		46.25%	32.61%
tripadvisor 대한민국	tripadvisor.co.kr	70%		16.47%	13.14%
HanaTour	hanatour.com	22.46%		38.77%	38.41%

search   social   link   direct

www.alexa.com

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South Korea – Digital Travel Marketing

Digital Marketing Platform Overview

Naver is the dominant platform South Koreans use for travel information. Originally a search engine, it was used as a first port of call before going onto other websites. However, with the addition of Naver Trip +, which publishes travel articles, links to accommodation sites and metasearch sites, whilst acting as a metasearch itself, **Koreans rarely need to go beyond Naver until they decide to purchase**.

Government operated sites such as Koreastay (leisure) and K-MICE (business) are also used by Koreans to research travel information. **Tourism Australia has become the number one travel and leisure brand on Kakao,** leading to an increase in visitor numbers. *This platform would be potentially beneficial for Visit Finland to explore.*

Marketing in South Korea – the country with the fastest internet speed in the world – can be painful for global companies. Resources and information about the local search engines are meager, and there is little information about advertising options on these channels. The Egg has a good breakdown of how to advertise on Naver here. InMobi provides information on advertising on Kakao here.

"You could have the greatest website in English, but if it is not in Korean, and therefore doesn't come up on the leading Korean search engine Naver, then you essentially are irrelevant to the Korean customer."

– Scott Walker
Korea Country Manager, Tourism Australia

Sources:
"Tourism Australia in Korea," Asia Link Business, 2017.
"Google Vs Naver: Google's Struggles in South Korea," Mint Twist, 2017.
"Naver Advertising in 2017 – Your options for SEM in Korea," The Egg, 2017.
"InMobi Native Ads On South Korea's #1 Social Network Platform," InMobi 2015.

South Korea – Expert Spotlight

Ms Su Jung Kwak
General Information Manager, Korean Cultural Center

What are your thoughts on the current travel and tourism trends in Korea?

I feel that people have been traveling more often than they have in the past. There have been group travel plans offered, with specific goals: "visionary travel". Even church members are taking mini-ministry trips, and they take these trips often in groups. Families with children have been taking out-of-county trips, as family vacations but also with educational goals for the children. Summer camps are planned in U.S. and offered to kids in Korea during their summer break. These come in packages, which often include programs at the science center, or certain other destinations, so a family may come to U.S. for about two months and stay temporarily, while the children attend these camps. They are actually a lot of people who participate in these programs.

How do you feel people come to their travel-related decisions?

I think there are two options we usually go for. First is to purchase tour packages purchases via travel agencies. Second would be to trust someone you know overseas to plan for you, so you can enjoy your vacation time with that person as well. Also, people tend to rely on other people's experiences, via what we can read about on different blog pages. We would search for a well-known travel-blogger to read what he/she had to say about the place visited, to get an idea of a rating and the reasons for the certain rating given.

What are some popular out-of-country travel destinations?

I would say Japan, as it is so close to Korea, or sometimes China. For travelers who choose destinations farther away - the younger ones, let's say - Europe has been a popular choice for backpack travel. U.S. has been a destination commonly considered for those who seek further education or advanced career, as a "visionary travel" spot. Vacation would be the main intention, but also with their vision in mind.

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South Korea – Expert Spotlight (continued)

Ms Su Jung Kwak
General Information Manager, Korean Cultural Center

Which internet sites are most popularly used?

For everything in Korea, it's Naver. Just as we have Google set as the home page here in U.S., Naver is the home page that offers newspaper articles, current news, blog pages, and everything else.

If you were planning a trip, for instance, what other sites would you consider using, or is Naver your only means of any type of search?

I feel that Naver does offer everything. I would use Naver to also search for blog pages, so I can read opinions of those who have already visited certain destinations to make my decision on which location I would want to visit. Then I would go back on Naver to search for lowest means of travel, such as airfare.

How about the people around you? Do you ever see them use anything else other than Naver for their search needs? Once again, I'm referring to those who are in Korea.

In Korea... no. I've only seen people use Naver and nothing else.

Why do you think that is? What do you think has established Naver as the most successful search site in Korea?

It's because we feel Naver takes care of our needs, and so we're not familiar with anything else. To compare to the search sites here, there are other search sites here in U.S. as well, such as Bing, but we don't really think to use other sites because there is no need for it. ... Daum has also lost its brief popularity. For example, I would say that Google Maps is the most commonly used when it comes to looking for directions. It covers the most areas in U.S., and it's the most accurate; that's why we use it. However, Google directions do not work in Korea. Maps, streets, and alleys are never updated in the Korean Google Maps, and have not been used by residents in Korea. Although at first we did try it, we had abandoned that as our means of finding directions. Naver has its own Naver Navigation, which is what everyone now uses, and it's the best.

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South Korea – Expert Spotlight (continued)

Ms Su Jung Kwak
General Information Manager, Korean Cultural Center

Do you have any ideas regarding improvement of these promotional campaigns? I'm not sure if Naver would need any improvement, but how about the Korea Tourism Organization, for example? What do you think could improve their promotions as to have more people be aware of such services?

I honestly feel as though they are doing the best they can. I think it can be compared to receiving spam mail in our junk mail folder. If we don't have our mind set on finding out more, we carelessly dispose of these received e-mails. It would need to be considered an attempt in making people want to travel - to have their mind first set on wanting to travel first so that they are willing to spend their time and effort in researching such topics. In order to have people want to visit Korea, for example, I would consider using the popular K-pop/K-drama culture to draw attention first. Instead of attempting to introduce the country to foreigners, I would want to draw their attention and have them actually initiate their research on the country on their own.

Perhaps it is because I work at the Korean Cultural Center, but I feel that people's desire to experience new culture cannot be forced. We can call to people all we want, saying, "Welcome, welcome, please, come in [for a new experience]," but nothing is effective until the mind wants new experiences and is ready.

Other than on the internet, including the one of the Korea Tourism Organization web page, or on the newspaper, can you recall coming across any travel-related promotional material/advertisements anywhere?

I think such ways of promotional campaigns tend to lose credibility. For example, in Hollywood, we sometimes come across people on the streets passing out information for a travel agency - about a certain package deal, let's say - but it's difficult to put our trust in these. Maybe it's also because I feel like there isn't a proven way to check for their credibility issues simply because they are on the streets promoting themselves. However, **I feel as though I can trust what I find on a home page of travel organizations or travel agencies.** This way, I also feel that I can make my decision after doing my own research.

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South Korea – Expert Spotlight

Ms Hyun Jin Jung
Former employee at Hwa Gok Travel Agency (2014-2017)

What do you think about the travel trends of current residents in Korea, compared to before?

For now, there has been more cases of family/group trips. Also, the trend varies according to different age groups. Single travelers are seen taking solo-trips often. Then there are the family trips, and the ones from the older generation tend to like tour packages, where they travel with people they do not know, on a set tour.

What are some of the popular travel trend?

What has become different from the travel trends of the past is that trips these days are intended purely for leisure/enjoyment. In the past, people would make big plans, so they would take enough time and put in a lot of effort in organizing a big vacation; however, these days we've come across travelers who spontaneously decide to take off when they feel like it. Travel expenses for these types of trips tend to be less than the ones of the past, and destinations have come to show more of a variety as well. This trend has gotten travel agencies to develop more package deals.

Do you think South Korean travelers tend to travel within Korea, or do they prefer to travel overseas?

Currently, since it is during vacation time but including holidays as well, a large number of travelers choose out-of-country destinations. Those who cannot make it too far still try to take their vacation in foreign countries of closer proximities - for example, Southeast Asia.
During non-holiday season, a lot of travelers are seen camping at a near-by site. The older generation find it difficult to join the youngsters in their camping trips, and they prefer to join packaged tours. My old company, for example, offered tours that would pick up the travelers with our tour bus when we reached a certain number of travelers. A lot of them were seniors, and chose this type of travel service, as the price was on the lower end. The trips would be taken within Korea.

South Korea – Expert Spotlight (continued)

Ms Hyun Jin Jung
Former employee at Hwa Gok Travel Agency (2014-2017)

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In what ways do Korean travelers search for their travel-related fares and packages?

Koreans usually research for discounted fares or package deals; they look for cheaper means of travel, sometimes possible by booking package deals in advance.

What are some of the popular search sites commonly used in Korea? What about travel-related sites?

Most people in Korea use Naver. **There's not much need to go on other search sites, even for travel, as Naver provides information about travel as well.** While searching we do end up on different web sites, but they would be mostly travel-agency home pages, which Naver search engine usually leads us to.

Also, rather than search engines, **Korean people still prefer to read other people's blogs in order to get the scopes from someone who had actually experienced the destination.** In the case of travel agency employees, some of us would keep our own blog journal, in which we would recommend certain destinations and introduce deals from our own travel agency.

There are also other search engines that have recently been launched. Although Naver is the most commonly used search site, Daum is also frequented, and there has been a new search site called http://www.tistory.com but it's actually branched from Naver and consists of blogs, as far as I'm concerned. I personally also use Google at times because of some old habits. Another new search engine that is new and gaining popularity is from KaKao Talk (messaging app used by most Koreans); they've formed a blog site called KaKao Channel, in which people share their blogs. Another website frequently visited by Koreans is http://www.zoom.com. **The difference between these search sites and Google is that while Google only provides a search box, each of the Korean sites offers abundance of information when you click the window open, starting from advertisements, shopping, news, and everything else.**

Although Naver has its roots settled already, I feel that **the new KaKao Channel is consistently rising and shouldn't be underestimated**.

South Korea – Expert Spotlight (continued)

Ms Hyun Jin Jung
Former employee at Hwa Gok Travel Agency (2014-2017)

Other than on the internet, in what ways are travel related campaigns promoted?

Korea is becoming an extremely "mobile" country. Rather than sit down at a desktop, we prefer to be on our mobile phones all the time, and it's becoming the new trend. The "mobile" industry is rapidly growing very strong; everything is made easy to be checked on the phone. From my experience during my employment at the travel agency, there wasn't much of new clients who had learned of us from other advertisement methods; new visitors were gained via our internet promotions and by recommendations from friends and family.

How do you think the travel patterns are influenced by the current economic status of Korea in general?

There has been an increasing number of travelers, disregarding whatever the economic situation the country may be in. In the past, we had believed in hard work and thus spent most of our time devoted to work and improving our financial status. As our values has now shifted to having ethics in maintaining a happy self and a loving family, we tend to try to spend more time on taking a leisure trip on our own or with our family/children; we are no longer the conservative souls that once held onto the idea of a masculine society in the workplace.

I believe that the economic status of the country should not and does not affect how people enjoy their time off. If one were to have made up his/her mind to spend his/her time off of work with his/her significant other and their children, they would spend quality time together at a location special to them - no matter what their financial situation would be like at the moment, no matter how far or close they would have to travel, in country or out-of-country, no matter how big of an expense they get to spend or not... and that would be their trip. If you have your mind set on taking a trip, you will take that trip, no matter what.

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South Korea – Recommendations

Overview

The South Korean digital travel market is dominated by a few key players, but travelers are relying more and more on a wide variety of digital platforms and services. **Naver will continue to be a key channel for travel research and inspiration**, and marketers must learn how to use Naver effectively to drive growth of travel tourism to their business or their region.

Channel Recommendations

Advertise with Naver, South Korea's most influential search engine
- Companies that don't have a presence on Naver are nearly invisible to the average South Korean consumer.
- Naver is the leader in online travel research and booking, and companies must partner with the search engine to successfully grow their business.
- Details on advertising through Naver can be found here.

Advertise through Kakao, South Korea's upstart social media messaging network
- Experts agree that Kakao will grow in popularity in the next several years, and many Korean's will be using the platform to look for travel inspiration.
- Tourism Australia has already successfully partnered with Kakao to improve its branding as a travel destination among South Koreans. You can read more about it here.

Use various booking preferences to your advantage
- South Koreans prefer booking travel accommodations, flights and activities separately. You can take advantage of this preference by creating closer partnerships with individual suppliers (i.e. Airbnb & Hana Tours) that tell stories about the unique experiences available in Finland.

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China (& Hong Kong)

Key Points

- **Overseas tourists from China represent the world's largest international tourism market** and eCommerce sector is experiencing huge growth.

- **OTAs are the dominant platform** for both individual and tour packages.

- **Online accommodation and review sites are the most digital popular sources of information.**

- Female travellers **made up 56% of outbound tourists** and half were born in the 1970s and 80s, but the market is expanding for older and younger people alike.

China – Country Overview

Overview

China is a major player in the world economy. In 2015 the Chinese economy grew with almost 7%, which is a lot higher than the world average (1.9% in 2015). China takes the second position of countries with the highest GDP, after USA.

Key Travel Drivers

- With 122 million outbound visitors in 2016, they are **the largest overseas tourist group in the world and spend $109.8bn overseas.**
- **Travelers spent $900 per person on average last year**, accounting for 16% of the country's total tourism consumption, though outbound tourists only accounts for 3% of the country's total tourists.
- **Female travellers made up 56% of outbound tourists** and half were born in the 1970s and 80s, but the market is expanding for older and younger people alike.
- **Chinese travel agencies organized more than 50 million tourists** to travel overseas. Among 122 million outbound tourists, **group travelers account for 40%,** and individuals are over 70 million accounting for 60%.
- **More tourists booked customized trips in 2016** (400% increase), themed programs (250% increase), and entrance tickets to events (100% increase). In 2016, programs for outbound tourists became more diverse and convenient.

Key Facts & Figures	
GDP	$21.14 trillion (2016 est.)
GDP Growth	6.7% (2016 est.)
Outbound Travel	122,000,000 trips (2016)
Total Outbound Expenditures	$109.8 Billion (2016)
Average Expenditure Per Trip (Outbound)	USD $900 per person (2016)
Population	1,373,541,278 (July 2016 est.)
Median Age	37.1 years
Population Growth	Increasing 0.43% (2016 est.)
GDP per capita	USD $14,600 (2016 est.)

Number of Chinese Outbound Tourists

2014 (9.2%) 107 Million
2015 (9.3%) 117 Million
2016 (4.3%) 122 Million

China – Digital Travel Landscape

Majority of outbound Chinese travelers book online

The most used information sources for independent travelers when selecting their destination are Internet websites via computer (76%), websites or applications via smartphone (50%) and personal recommendations from friends/family (50%).

Chinese who shop online for travel purposes mostly use OTA's (66%). Also general search engines are widely used (43%).

Over **50% of Chinese travellers book holidays via mobile devices**, with the **conversion rate growing 10% annually**. Online reviews are important when mobile bookers are considering their destination.

WeChat is a popular chat app used in China, and is often used for advertising and for Chinese people to pick up tips from friends and family, an important factor in booking travel.

TIP: WalktheChat offers a straightforward guide to launching your own WeChat campaign here.

Preferred booking channels amongst Chinese travelers

- 74% Online travel agent
- 16% Hotel
- 10% Travel agency

Source of travel information

Online accommodation website	44%
Friends & colleagues	44%
Travel guides	43%
Online review sites	43%
Travel agents	42%
Family	36%
Social media	32%
Travel magazines/brochure	31%
Searching on mobile phone	28%
Promotions/deals	20%
Newspapers	8%
Bloggers	6%

Preferred booking mode amongst Chinese travelers

ONLINE TRAVEL AGENT

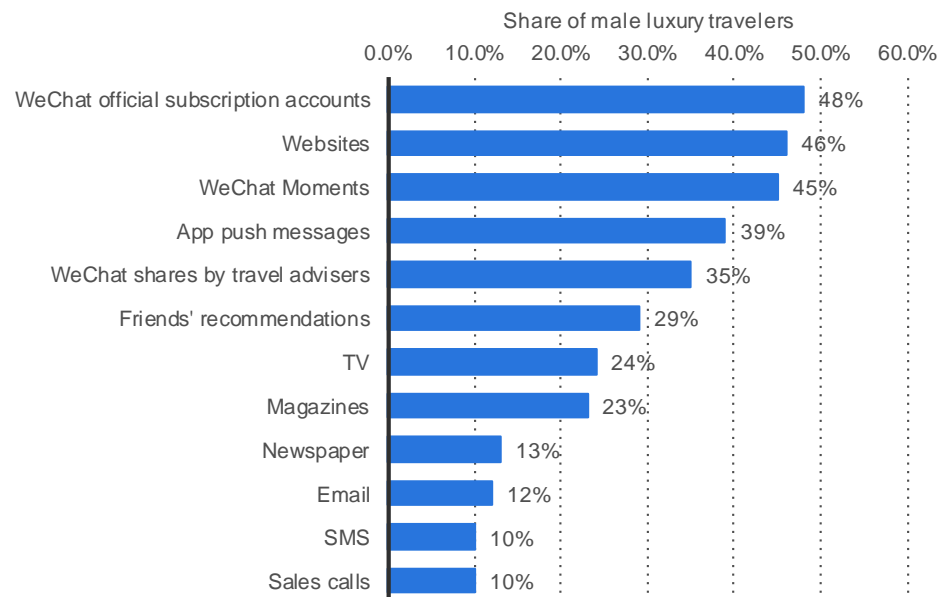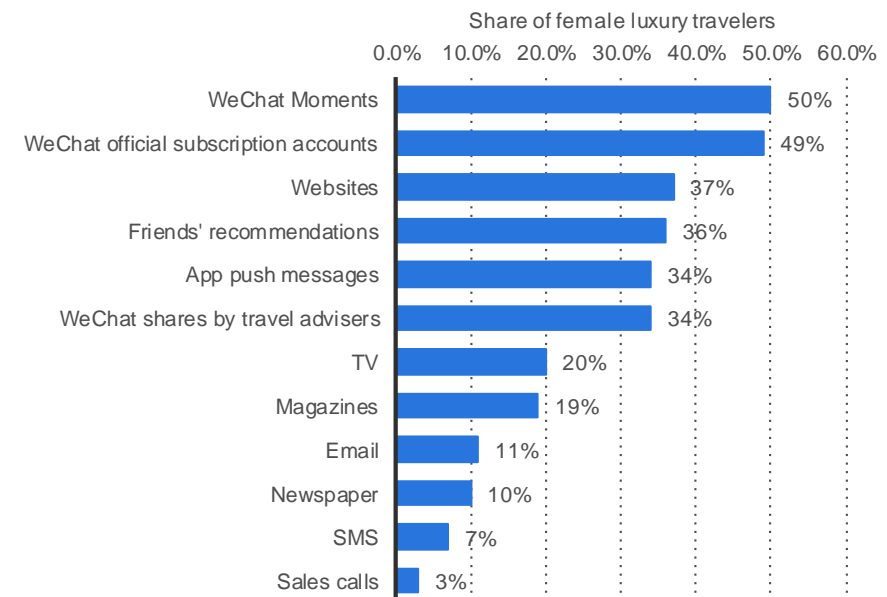|	
Website on desktop	19%
Mobile website	40%
Mobile apps	10%
Phone call	5%

China – Digital Travel Landscape

Luxury travelers are influenced by social media

According to research from Hurun Research Institute in China, young luxury travelers in China are highly influenced by the mobile app platform WeChat. Website content and push notifications from apps also appear to be popular sources of travel information for high net-worth individuals.

Most popular travel information sources among young male luxury travelers in China as of 2016

Share of male luxury travelers

Source	Share
WeChat official subscription accounts	48%
Websites	46%
WeChat Moments	45%
App push messages	39%
WeChat shares by travel advisers	35%
Friends' recommendations	29%
TV	24%
Magazines	23%
Newspaper	13%
Email	12%
SMS	10%
Sales calls	10%

Most popular travel information sources among young female luxury travelers in China as of 2016

Share of female luxury travelers

Source	Share
WeChat Moments	50%
WeChat official subscription accounts	49%
Websites	37%
Friends' recommendations	36%
App push messages	34%
WeChat shares by travel advisers	34%
TV	20%
Magazines	19%
Email	11%
Newspaper	10%
SMS	7%
Sales calls	3%

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China – Digital Travel Channels

Chinese travelers think about travel decisions

Ctrip is leading in domestic tourism and close by markets. Tuniu.com, Tongcheng.com, Lvmama.com, Qunar.com are very strong rivals of Ctrip. **For trips to Europe, there is no dominant OTA.**

In the last two years, **AliTrip has grown very quickly as an ecommerce platform in terms of transaction volume**. On this platform, tour operators/agents can close sales transactions.

The **largest digital selling platforms** in China are **OTAs**. For individual trips (60% of market) sites such as Ctrip and Fliggy (formerly Alitrip) are used.

Tour packages are also a popular form of travel for international travel in China (40% of market). **Tuniu.com is the dominant player in the online market for tours.**

Meta-search platforms have not been able to make a significant impact on the Chinese consumer market as of yet, but start-up Qunar is starting to move into this space.

General Travel	General Tourism	Airlines & Airports	Accommodation & Hotels
1 ctrip.com	1 12306.cn	1 airchina.com.cn	1 huazhu.com
2 12306.cn	2 mafengwo.cn	2 csair.com	2 youzan.com
3 qunar.com	3 8684.cn	3 ceair.com	3 homekoo.com
4 mafengwo.cn	4 cncn.com	4 3798.com	4 booking.com
5 tuniu.com	5 ly.com	5 jal.com	5 zhuna.cn

Top travel websites in China taken from SimilarWeb, ranked by share of traffic.

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China – Digital Travel Channels

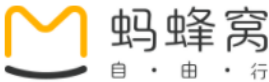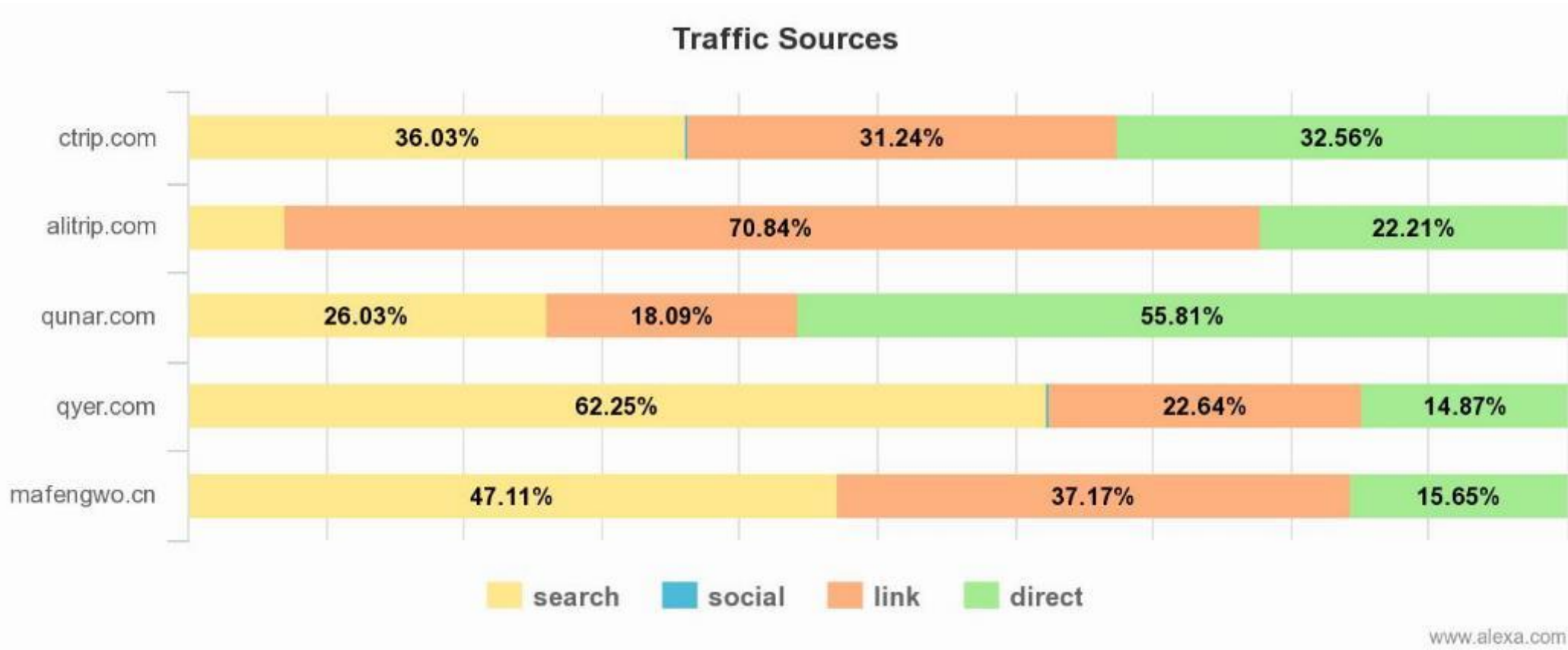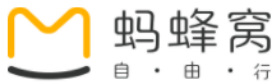| Site	Monthly Visits* (July 2017)	Web Rank (In Country)	Bounce Rate	Average Time on Page	Top 5 Keywords	Basic Demographics	Upstream traffic
Ctrip.com	38.36M (+13%)	#340	36.2%	6:52 min	1. Ctrip 2. 携程 3. Xiecheng 4. 机票 5. 携程机票	• Majority **male** • Majority with **college education** • Over-represented in **USD $30k-60k income bracket** • Majority between **25-34 years old**	36% of traffic comes from search, 19% from baidu.com. Less than 1% comes from social, 44% of which comes from Weibo.com, 25% from YouTube.
Fliggy (Alitrip.com)	5.57M (+42%)	#330	63.6%	1:56 min	1. 飞猪 2. Alitrip 3. 淘宝 4. 阿里旅行 5. feizhu	• Majority with **college education** • Majority **without children** • Over-represented in **USD $30k-$60k income bracket** • Majority **25-34 years old**	6% of traffic comes from search, 31% from taobao.com. Less than 1% comes from social, 22% of which comes from Weibo.com, 39% from YouTube.
Qunar.com	10.7M (+11%)	#710	26.1%	7:48 min	1. 去哪儿 2. Qunar 3. Qunaer 4. 去哪儿网 5. 飞机票	• Majority **men** • Over-represented by **25-34 year olds** • Majority with **college education** • Over-represented in **USD $30k-$60k income bracket**	26% of traffic comes from search, 22% from baidu.com. Less than 1% comes from social, 62% of which comes from Weibo.com, 14% from YouTube.
Qyer.com	8.61M (+1%)	#213	52.3%	4:15 min	1. 穷游 2. 美国签证 3. 多瑙 4. Qyer 5. 穷游网	• Majority **female** • Majority **25-34 year olds** • Majority **without children** • Majority with **graduate education** • Over-represented in **USD $30k-$60k income bracket**	62% of traffic comes from search, 16% from baidu.com. Less than 1% comes from social, 25.5% of which comes from Weibo.com, 30% from YouTube.
Mafengwo.cn	19.1M (+19%)	#434	48.7%	5:19 min	1. 端午节 2017 2. 马蜂窝 3. Mafengwo 4. 蚂蜂窝 5. 黄石公园攻略	• Majority **female** • Over-represented by **25-34 year olds** • Majority with **college education and graduate school** • Majority **without children** • Majority make between **USD $0-$60k**	47% of traffic comes from search, 26% of traffic comes from baidu.com. Less than 1% comes from social, 57% of which comes from Weibo.com, 17% from YouTube.

Digital Selling Platforms include websites that are used predominantly for comparing deals and making purchase decisions about travel. Sites were identified through published articles on top travel sites, depth interviews, and further analysis using Alexa and Similar Web where possible.

China – Digital Travel Channels

Traffic Sources

	search	social	link	direct
ctrip.com	36.03%		31.24%	32.56%
alitrip.com			70.84%	22.21%
qunar.com	26.03%		18.09%	55.81%
qyer.com	62.25%		22.64%	14.87%
mafengwo.cn	47.11%		37.17%	15.65%

■ search ■ social ■ link ■ direct

www.alexa.com

Digital Selling Platforms include websites that are used predominately for comparing deals and making purchase decisions about travel. Sites were identified through published articles on top travel sites, depth interviews, and further analysis using Alexa and Similar Web where possible.

China – Digital Travel Marketing

Overview

Chinese travellers spend **11 days researching online** and **plan their trip well in advance**. The most **popular source** of information are **online accommodation sites**, with online review sites and travel guides also being popular.

Driving more engagement through social

To successfully market a destination or travel company in China, companies need to be visible through search and social media platforms. Start with a well-designed website, located in China and then have some SEO done on the most relevant keywords. Baidu is still ahead of the pack in China, so you had better have your website particularly optimized for this one.

Take part in the conversation among Chinese tourists by answering questions on key travel forums like Lvmama or Sohu. **Lvmama's OTA channel is a DIY service selling component-based travel, mostly to single tourists or small independent groups such as families**. If these are your target markets, contribute to the discussions. **Sohu is one of China's leading internet businesses**, its forums are very influential in their own industries. Fashion.sohu is a go-to for the fashion industry, **travel.sohu is a must-read for travelers**.

Ctrip and **Fliggy (formerly Alitrip)** are two of the most popular booking websites, which travelers most often use as a source of information, so using advertising space here could target potential tourists. There is also potential to expand from Alitrip into the wider Alibaba group.

Mafengwo is a popular and growing website travelers use to research destinations, so there is potential to expand a marketing campaign onto this website or create native content.

Lvmama is one of China's oldest e-tourism platforms it is quite popular among Chinese travelers. Alexa ranks it number 250 in all of China.

Sohu Travel is a key travel blog in China. Posting a diary and targeting the content to the audience maximises your reach. Images and the storytelling are compelling for the Chinese. Indeed, Chinese spend a third of their weekly 25 hours online watching multimedia content.

China – Expert Spotlight

Dr. Liu, Si-min
(Prominent Scholar, Journalist, Columnist, Commentator)

How would you describe the current state of the travel and tourism industry in China?

"The entire tourism industry is booming and the country put tourism as its priority in planning the economy."

<u>Synopsis</u>: Liu expressed his optimism in China's tourism and travel industry. He mentioned that the whole industry is booming and the state government put tourism among the first priority to boost its economy. The increasing size of the middle-class in China also helps with the tourism industry, as out-bound travels became part of middle-class and upper middle-classes' lifestyle. Liu also adds that tourism fosters cultural and international exchange and the purchasing power of Chinese tourists helps the economy in South-East Asia and surrounding area.

What are some emerging trends you see in the travel and tourism space in this market?

"The proportions of group travels is decreasing and we see more tourists doing more independent travel. Active 'sports tourism' is also growing exponentially in China."

<u>Synopsis</u>: Liu mentioned that the proportion of the group travels (Tours) vs. independent travels has been decreased. In terms of travel trends, leisure travel and vacation travels has been increasing. Also, tourists in China like to travel to places / countries for skiing, diving (Liu calls it "sports tourism") it has been growing exponentially. Besides, tourists like to do independent travels rather than group tours and they like to stay in bed and breakfast type of lodging to experience the local culture.

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China – Expert Spotlight (continued)

Dr. Liu, Si-min
(Prominent Scholar, Journalist, Columnist, Commentator)

How do people in China tend to make travel decisions?

"Chinese people are being influenced by the media, by books and by their peers at a younger age."

Synopsis: Liu spoke about Chinese being influenced by media at a younger age (books, novels, non-fiction etc.). Also, Chinese people tend to be influenced by peers within their friends network. For example, when their peers just came back from a trip and brought them souvenirs and shared pictures with them, their peers will inspire them take a trip to where their peers just visited. Travelling is also considered as a lifestyle among the middle-class and white-collar workers. The ads in newspaper, Internet and Outdoor ads at Subway station will help them make traveling decision. Chinese citizens will also utilize the Internet and find out the travel tends to make travel decisions (ex. Wild life observation / Safari tours in Kenya and explorations in Antarctica is gaining popularity).

How do consumers typically research and purchase travel products?

"Advertisements in newspaper, Internet and Outdoor ads at Subway station help them make travel decisions."

"Chinese will also utilize the Internet and find out the travel tends to make travel decisions."

Synopsis: The ads in newspaper, Internet and Outdoor ads at Subway station will help them make traveling decision. Chinese will also utilize the Internet and find out the travel tends to make travel decisions. For example, Wild life observation, Safari tours in Kenya and exploration trips in Antarctica is trending after photos were posts and being looked up on the Internet.

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China – Expert Spotlight (continued)

Dr. Liu, Si-min
(Prominent Scholar, Journalist, Columnist, Commentator)

What types of marketing channels influence travel and tourism behavior in this market?

"Newspaper, TV ads, outdoor ads and Internet ads. Though newspaper subscribers have been decreasing, it's an effective channel to attract middle-class and upper-middle class audience."

<u>Synopsis</u>: He categorizes Chinese tourists into age demographics. For those born in 70s, 80s and 90s, they prefer independent travels other than group travels. They will also utilize Online Travel Agencies (OTA) and the resources online to do research and purchase travel products. In terms of marketing channel that influence travel and tourism behavior, he talks about newspaper, TV ads, outdoor ads and Internet ads. Though newspaper subscribers have been decreasing, it's an effective channel to attract middle-class and upper-middle class audience.

What are the biggest digital travel platforms in China?

"The biggest online travel platforms in China are the OTAs. The popular ones are: Ctrip, Qunar, Fliggy, LY.com, LvMaMa, and TuNiu. For researching trips, the first website that people go to is MaFengwo. MaFengWo is a website for sharing travel experience, and thus for travel planning. For purchasing products, look to the OTAs that were mentioned before."

Why, in your opinion, are some channels more successful at attracting consumers than others?

"The reasons that some channels are more successful at attracting consumers than others are because of capital investment, economy of scale and when the companies started. One special case is Qunar (OTA), which provides consumers with price comparison and offer the best deal to the price-conscious consumers."

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China – Expert Spotlight (continued)

How could Scandinavian countries attract more Chinese tourists?

"I have yet seen any ads that feature the Scandinavian countries."

"A cost-saving approach by inviting influencers (journalist, travel experts, local celebrities, Internet celebrities to visit the will be more effective to target your audience"

Synopsis: Liu feels that Scandinavian countries don't have large-scale promotional campaigns in China based on his observations. He hasn't seen any ads that feature the Scandinavian countries. He suggests a cost-saving approach which he thinks will be effective: Invite journalists, experts, influencers, celebrities, internet celebrities to visit the country and share their travel experiences in the country and thus influence their audience.

Dr. Liu, Si-min
(Prominent Scholar, Journalist, Columnist, Commentator)

Final Thoughts

"Flight schedules / accommodations and costs of travel are factors to consider in attracting Chinese tourists."

"The potential audience in China will probably be middle-class or higher as they are the ones who have the purchasing power to afford trips to Europe / Finland."

Synopsis: Liu talks about flight schedules / accommodations and costs of travel are factors to consider in attracting potential tourists. He thinks Finland is a nice country and they have a lot to offer, and he recommends advertising the local specialties (attractions, culture etc.) within Finland and market to the Chinese audience. He also mentions that the potential audience in China will probably be middle-class or higher as they are the ones who have the purchasing power to afford trips to Europe.

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China – Expert Spotlight

Dr. Wei, Xiang
(Associate Professor, National Academy of Economic Strategy, CASS)

What are some emerging trends you see in the travel and tourism space in this market?

"The industry has utilized technologies (artificial intelligence) to help with its business."

"There will be an increase in out-bound tourism since the consumers' demands are increasing."

<u>Synopsis</u>: Wei mentions the country has been trying to improve its people's quality of life and tourism industry can help its citizen to increase the income and employment opportunities as a whole. In addition, people are looking for better lifestyle. Also, there is more and more capital investment in tourism industry. One thing noteworthy is that the tourism industry has utilized technologies (example: artificial intelligence) to help with its business. In order to meet with the consumer's consumption demand, there will be increase in out-bound tourism.

How do people in China tend to make travel decisions?

"Chinese consumers are price-conscious."

"Chinese tourists look for an experience rather than a sightseeing trip."

<u>Synopsis</u>: Wei thinks it's the same with people in the rest of the world. He thinks Chinese consumers are price-conscious. He has seen more and more Chinese consumers looking for leisure and vacation tourism. Chinese tourists look for an experience rather than just a sightseeing trip. They want to experience the local culture rather than hitting the popular tourist spots.

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China – Expert Spotlight (continued)

Dr. Wei, Xiang
(Associate Professor, National Academy of Economic Strategy, CASS)

How do consumers typically research and purchase travel products?

"For those over 45 years old, they rely on tours. For those under 45, they mostly utilize the Internet for tips and travel plans."

Synopsis: For those over 45 years old, they mostly rely on tours. For those under 45 years old, they mostly rely on the Internet for tips and travel plans (example: Trip Advisor). And there is an increasing proportion for the younger generation to choose independent travel.

What types of marketing channels influence travel and tourism behavior in this market?

"The most effective marketing channels will be WeChat. Only WeChat can surpass traditional channels in terms of penetration rate and reach a broader audience."

Synopsis: Wei suggests the most effective marketing channels will be WeChat as it penetrates across the Chinese citizens regardless of age, income, and education levels. Wei emphasizes that the traditional and digital channels are both very important. Based on his research, the penetration rate of Television advertisement didn't change much over the past decades.

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China – Recommendations

Overview

China represents the largest market for digital travel market will influence the growth of the global travel market as a whole. **Chinese travelers are increasingly conducting travel related research and making purchase decisions on their mobile devices.** Companies and organisations looking to attract Chinese travelers should look to optimize their mobile and digital channels to ensure they continue to appear in natural search results. Chinese travelers are looking for independent adventure travel, so also keep this in mind as you develop your products and services.

Channel Recommendations

Partner with Mafengwo, China's fastest growing travel research and booking platform
- Mafengwo's popularity, especially among millennials, is expected to continue to grow in the years ahead.
- Queensland recently partnered with Mafengwo to help grow their regional business. You can read more about it here.

Continue to cater to shifting needs of Chinese travelers
- The Chinese tourism market in China is still embryonic, but it is growing, with China becoming increasingly less fearful and more educated on travelling to Europe.
- **Good start:** Helsinki Airport is the first in Europe to introduce Chinese-speaking Information Kiosks, Alipay (mobile payment platform equivalent to Paypal in the US) specifically catered for Chinese tourists.

Adopt a mobile-first strategy to target largest possible customer segment
- Any marketing targeted towards Chinese tourists should be through mobile friendly means, as this is the dominant and growing method of booking.
- Advertise through **mobile app platforms like WeChat** and other social media platforms that are mobile friendly.
- Raise awareness and interest of Finland through native advertising in the form of reviews, as these are important for people from China when booking.

Case Studies

Alberta, Canada

Background: Expedia has the ability to influence where travellers decide to vacation. This includes telling customers how many people booked a particular hotel, and it extends to running marketing campaigns for destinations.

Business Need: "Find Yours" campaigns are generally success stories for Expedia, and at the same time increase awareness of underdog destinations or those that ask for publicity.

Approach / Solution: For travellers coming to a destination marketing organization (DMO) site to determine where to stay, most destinations have either a booking site such as Expedia or Booking.com — either branded or in a white-label version — or choose an alternative booking system. DMOs will typically get a commission based on bookings.

Results: **The site saw an 11 times return on investment with its Alberta, Canada campaign**, for example, and air passenger traffic to the province's airports also increased 21%, said Noah Tratt, a spokesperson for Expedia Media Solutions.

Expedia Road Trip with Travel Alberta: Captain and Clark...

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Fjord Norway

Background: Fjord Norway's vision is to be the world's number one destination for outdoor experience and adventure tourism, a key part of which will be to ensure that the local experiences used in branding are also bookable online.

Business Need: "Our goal was to find the best booking system for activities to make the Fjord Norway region even more available for visitors. After evaluating several world-leading booking systems, TrekkSoft was picked out as the best."– Kristian B. Jørgensen, CEO of Fjord Norway

Approach / Solution: Fjord Norway partnered with software company TrekkSoft to bring the Norwegian tour and activity market online.

Results: The partnership with TrekkSoft allows Fjord Norway to:
- Take their destination marketing further by capturing bookings on fjordnorway.com
- Improve user experience on local and regional marketplaces and in turn drive bookings for companies in the Western Norway region
- Create a thriving local network of tour operators, activity providers, and DMOs

- Empower suppliers to make their inventory bookable on their own website, scale-up with intelligent online booking software, and connect to extended distribution via channel managers
- Encourage the use of standardised booking software to enable local suppliers to cross-sell using the TrekkSoft Partner Network and drive local tourism

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Great Britain

Background: Visit Britain is the UK's national tourism agency. It is responsible for marketing Britain worldwide and developing Britain's visitor economy.

Business Need: The aim of this campaign was to promote Britain and show people examples of why they should visit Britain.

Approach / Solution: Visit Britain held a four-year, £100m campaign, which focused on the culture, heritage, sport, music, countryside, food and shopping of the UK – as well as Skyfall (the James Bond film).

Results: There was an **estimated £2.5bn in additional visitor spend**, as well as £8.9bn in advertising equivalent value and £52.5m in partner funding.

WELCOME TO **GREAT** BRITAIN

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Australia

Background: Tourism Australia is responsible for attracting international visitors to Australia for both leisurely and business events.

Business Need: Tourism Australia wanted to highlight some of the best attractions and experiences in Australia. The 'There's Nothing Like Australia' campaign is designed to evolve and stay relevant for fast-changing global tourism environments.

Approach / Solution: They released a 'There's Nothing Like Australia' campaign which covers many different tourist attractions around Australia. Alongside this, they created a 3-part television series called 'Restaurant Australia' to promote Australian cuisine.

Results: **The 'Restaurant Australia' campaign caused the international visitor spend on food and beverages to rise 16.6%.** Also, since the beginning of both of these campaigns, the number of visitors travelling to Australia is up 7.4 million.

There's nothing like Australia.
Australia

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Los Angeles, USA

Background: Discover Los Angeles is a private, non-profit business associated whose primary mission is to market and promote Los Angeles as the premier site for leisure, travel, meetings and conventions.

Business Need: Discover Los Angeles wanted younger travellers to visit Los Angeles, but specifically the non-typical attractions.

Approach / Solution: They set up a 'Get Lost in L.A.' campaign to promote local neighbourhood experiences beyond the iconic L.A. attractions. They created an interactive 'Let's Get Lost' video, focusing on the travels of a couple travelling in L.A.

Results: In 2016, Los Angeles achieved a record of 47.3 million overnight and day visitors, which was a successful **increase of 3.7% compared to the previous year**.

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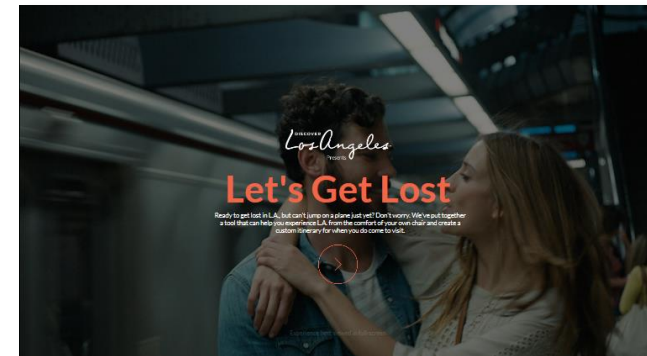
New York, USA

Background: NYC & Company provide resources for visitors to discover everything they need to know or want to see in New York City. They are the official destination marketing organisation for the five boroughs of New York City.

Business Need: NYC & Company wanted to maximize travel and tourism opportunities throughout the city, build economic prosperity and spread the dynamic image of New York City.

Approach / Solution: New York's brand new portal was designed from scratch to portray New York as five individual cities with hundreds of unique neighbourhoods in one. Each of the boroughs has plenty of travel content for visitors.

Results: In 2015, New York City's **total visitation increased from 56.5 million to 58.5 million**. Both domestic and international visitors increased since 2014. Domestic visitation went up by 1.04% whereas international visitation went up by 1.025%.

NYC is made up of five boroughs
- The Bronx
- Brooklyn
- Manhattan
- Queens
- Staten Island

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Airbnb

Airbnb is a marketplace for people to list, discover, and book a variety of different types of accommodation around the world, either online or from a mobile phone or tablet.

Business Need: Airbnb are highly competitive with the longer-established website TripAdvisor. As a result, they wish to expand the knowledge and advice available through its network.

Approach / Solution: As part of their 'Live There' campaign, Airbnb set up and launched guidebooks to their website and app. This allows every host to create a guidebook in order to advertise their local area.

Results: <u>There are now thousands of personal tour guides across their network, so anybody that has signed up to the website or app is able to access these guides</u>. This has increased customer satisfaction as well as engagement.
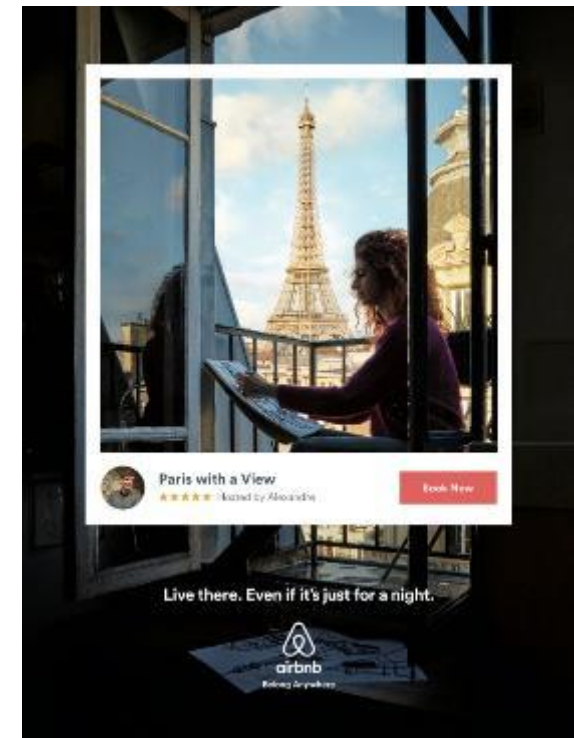
Thomas Cook

Background: The Thomas Cook Group is the oldest and best known name in leisure travel. They serve 19 million customers and are focused on transforming their business so that they can serve even more customers.

Business Need: Thomas Cook wanted to give prospective customers a taste of a destination, as well as wanting to get more people to travel using their website.

Approach / Solution: With the aid of virtual reality, Thomas Cook gave customers a 'try before you fly' kind of experience. It allowed customers to get a taste of a different destination without actually travelling there.

Results: **In the first 3 months, it generated flights and hotel bookings totalling £12,000 in the UK and Germany**, and has seen a 40% return on investment. There was also an 180% uplift in New York excursions revenue.

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SNCF Europe

Background: SNCF is the official European distribution channel of the French railways. They provide high-speed and conventional travel throughout France and Europe.

Business Need: SNCF wanted to promote their rail services between European countries to highlight the proximity of the many destinations on the mainland.

Approach / Solution: They released an advert presenting a door with a name of a city on it. Once you open the door, that exact city is on the other side of the door so you can just step into the other country.

Results: This allowed people to envisage stepping into another country. It "struck a chord with consumers," and, "created a connection not only between the consumer and the location, but also with SNCF."

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HomeAway

Background: HomeAway helps connect property owners and managers with holidaymakers looking for accommodation for their holiday.

Business Need: Airbnb is a huge competitor for HomeAway. They are almost identical except that HomeAway allows guests to rent entire homes without a host in sight. The company wanted to accentuate this difference.

Approach / Solution: HomeAway created a humorous advert companies the two travelling websites. The advert shows different examples of people's holidays and how they are not great due to having a host in the accommodation – that's if they were to use Airbnb.

Results: As this campaign was released at the beginning of 2017, there are no exact figures showing how successful it was.

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Appendix

Outside Expert Interviews

Name	Country	Title	Organisation	Company Description
Tino Kapolka	Germany	Senior Business Analyst E-Commerce	HolidayCheck AG	OTA
Oliver Breuer	Germany	Vice President	Deutsche Post	Tour company
Stefanie Brandes	Germany	Prokuristin / Director Marketing & Sales	Robinson Club GmbH (Part of TUI)	Tour company
Lars Bengsch	Germany	Managing Director	Dwif-Consulting GmbH	Travel consultancy
Michael Buller	Germany	Board Member	Verband Internet Reisevertriebs eV (VIR)	Association for internet and travel information distribution
Federica Giuliani	Italy	Cofounder & Editor	Travel Globe	Online portal publishing content on travel, wellbeing and culture
Mila Novichenkova	Russia	Communications Director, author of "Trends and Opportunities in the Russian Outbound Tourism Market"	Ipsos Comcon	Global market research company
Guillaume Cromer	France	Director	ID-Tourisme	Travel consultancy
Pim Dopheide	Netherlands	Head of Knowledge Centre "Multifunctional Leisure and Tourism Organizations"	NHTV Breda University of Applied Sciences	University
Kuotarou Toriumi	Japan	Lecturer, Tourism Analyst	Teikyo University School of Science and Engineering Department of Aerospace Engineering	University
Ayumi Tokura	Japan	Jyaran Net	Jyaran Net	OTA
Ms Su Jung Kwak	South Korea	General Information Manager	Korean Cultural Center	Cultural association
Ms Hyun Jin Jung	South Korea	Consultant / former employee at Hwa Gok Travel Agency (2014-2017)	Hwa Gok Travel Agency	Travel agency
Dr. Liu, Si-min	China	Prominent Scholar, Journalist, Columnist, Commentator	Self-employed	N/A
Dr. Wei, Xiang	China	Associate Professor	National Academy of Economic Strategy, CASS	Chinese economic think tank
Sara Pastor	UK	Managing Director, Destination Media, EMEA	ADARA, Inc.	Internet data provider supporting the growth of the travel industry

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