

Travel Flash Report.

Booking on mobile goes
mainstream



Introduction.

Since 2014, Criteo has analyzed more than 1 billion bookings generated by hundreds of travel suppliers and online travel agencies worldwide—making us a central source of the trends happening now in the travel industry. This report includes a number of new observations and recommendations on how travel advertisers can better leverage the mobile opportunity.

Key takeaways:

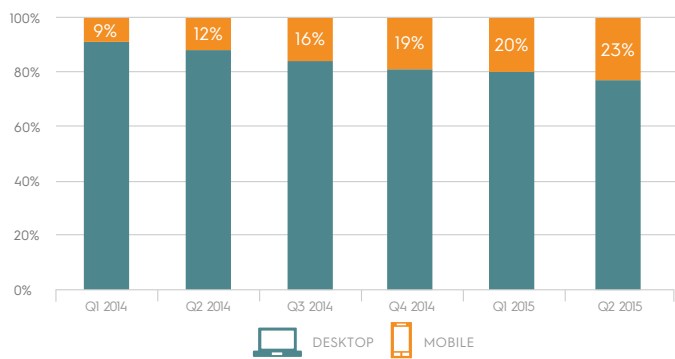


- **Mobile accounts for most of the overall growth** in travel bookings since 2014, as the share of mobile bookings has almost doubled, increasing from 12 percent to 23 percent between Q2 2014 and Q2 2015 worldwide. And mobile adoption appears to benefit all travel sub-categories.
- **Mobile apps are generating 49 percent of mobile bookings for advertisers who invest in in-app tracking and advertising** (worldwide, air and hotel categories), up from just 12 percent a year ago.
- **The booking device of choice changes depending on many factors:** time of day, day of the week, duration of stay, type of travel booking, etc. Smartphones account for a remarkable 47 percent of same-day hotel bookings (58 percent if tablets are included).
- **21 percent of online bookings are not correctly measured by advertisers**, because the final transaction occurs on another device than the one where the click was made. It is even higher at 26% when the click is made on a mobile device.
- **Hotel OTAs generate a higher share of bookings on smartphones compared to suppliers (21 percent vs. 7 percent)**, and the difference increases as the season progresses.



#1 Travelers are mobilizing!

Increase of the mobile share since Q1 2014 (Index, worldwide) [1]



Share of booking by device across select countries [2]

COUNTRY GROUP	SMARTPHONE	TABLET	TOTAL MOBILE	DESKTOP
JAPAN	24%	6%	30%	70%
UNITED STATES	20%	10%	30%	70%
SWEDEN	14%	14%	28%	72%
CANADA	15%	11%	26%	74%
DENMARK	8%	17%	25%	75%
TURKEY	21%	4%	25%	75%
AUSTRALIA	12%	13%	25%	75%
SPAIN	12%	11%	23%	77%
SOUTH KOREA	21%	2%	23%	77%
UNITED KINGDOM	9%	13%	22%	78%
NETHERLANDS	6%	16%	22%	78%
ITALY	11%	10%	21%	79%
FRANCE	10%	11%	21%	79%
GERMANY	6%	9%	15%	85%
AUSTRIA	6%	9%	15%	85%
BELGIUM	5%	9%	14%	86%
BRAZIL	8%	5%	13%	87%
AMERICAS	18%	9%	27%	73%
APAC	19%	8%	27%	73%
EMEA	10%	11%	21%	79%

ALL SUB-SECTORS BENEFIT

Mobile adoption appears to benefit all travel sub-categories, with apartment rentals leading the pack at 31 percent mobile bookings. The car rental segment is growing the fastest, with mobile bookings growing from 18 percent to 26 percent YOY.

THE SHARE OF MOBILE BOOKINGS IS CONTINUOUSLY GROWING

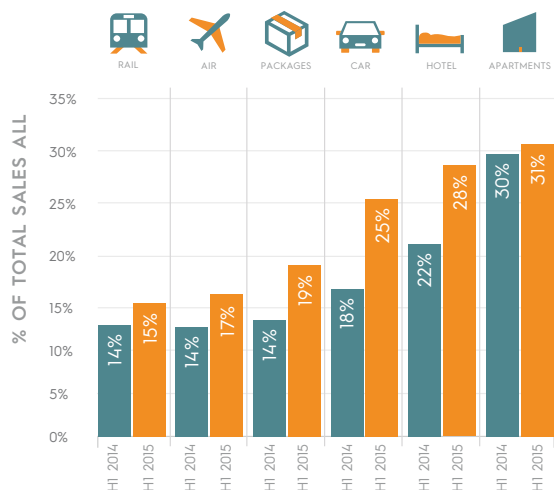
Between Q2 2014 and Q2 2015, the share of mobile bookings has almost doubled, increasing from 12 percent to 23 percent worldwide, with fairly consistent growth across all markets. Mobile accounts for most of the overall growth in travel bookings since 2014.

MOBILE ADOPTION IS GROWING, BUT VARIABLE

Within the travel sector, some regions are more mobile than others. In most Western countries, the share of bookings coming from mobile devices is more than 20 percent; in Japan it's greater than 30 percent, while Latin America and some EU markets, like Germany, lag behind.

As for device preference, there are still more online bookings generated on tablets than on smartphones in tablet-loving EMEA, while smartphones dominate in APAC and the US.

Increase in mobile bookings by travel sub-category between H1 2014 and H1 2015 [3]



[1] Jan 2014-June 2015, worldwide, all travel sub-categories, OTAs, and suppliers, excluding apps.

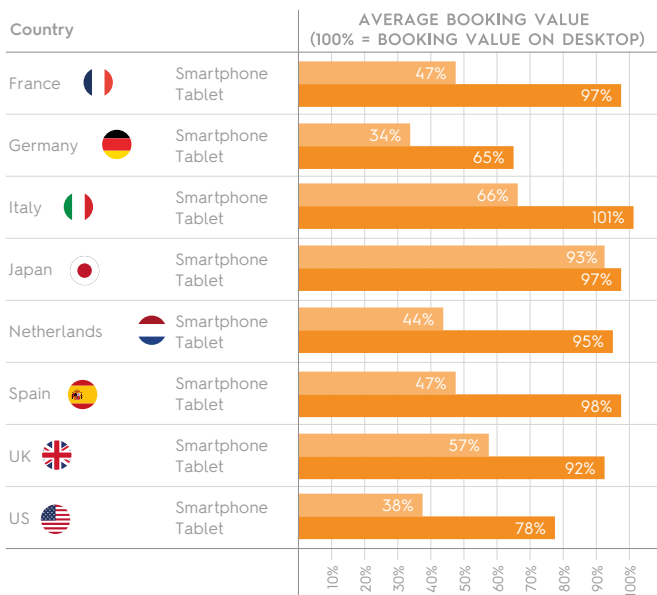
[2] June 2015, worldwide, all travel sub-categories, OTAs, and suppliers, excluding apps.

[3] H1 2014 and H1 2015, worldwide, OTAs, and suppliers, excluding apps.

DEVICE MATTERS

Mobile users appear to prefer certain devices for certain bookings. For example, tablets generate more bookings than smartphones for the air and packages categories, but the opposite is true for hotels.

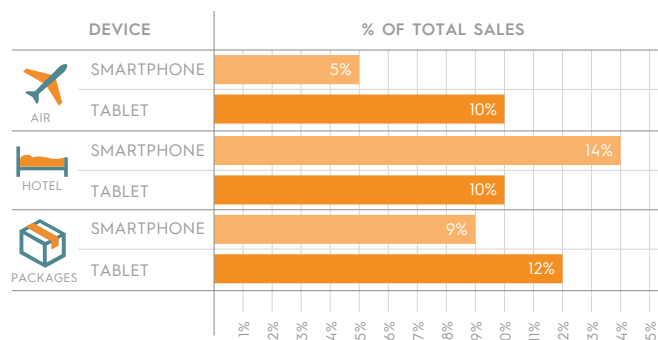
Average booking values for tablets and smartphones compared to desktop, for main travel categories [2]



IN-APP BOOKINGS ARE A HIT

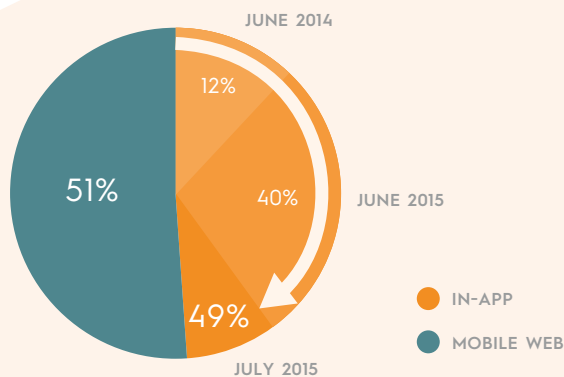
For advertisers who have already invested in in-app in the air and hotel sub-categories, mobile apps are generating 49 percent of all mobile bookings (worldwide), up from just 12 percent a year ago. In-app advertising and proper tracking are increasingly becoming must-haves for travel advertisers.

Share of bookings by device for main travel categories [1]



The average booking value is, in most markets, lower on smartphones, notably because these devices are used more often for shorter stays (see page 4). Interestingly, tablets reach desktop levels in most other countries. Among major markets, Japan remains the only country where average booking values are equal across all devices.

Share of bookings on mobile devices for advertisers using in-app [3]



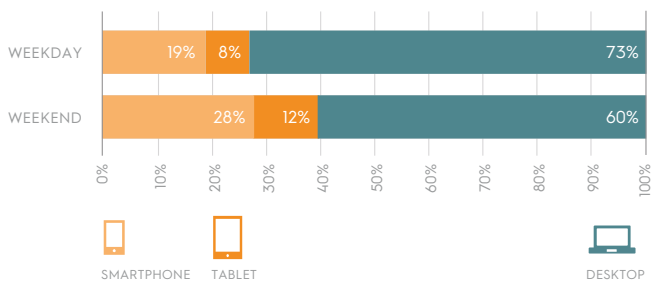
[1] June 2015, in ES, UK, US, NL, IT, JP, DE, FR, AU – OTAs and suppliers, excluding apps.

[2] June 2015, in US, UK, ES, NL, IT, JP, DE, FR, AU – Hotel, Air, Packages – OTAs and suppliers, excluding apps.

[3] June 2014 - July 2015, Worldwide, Air and Hotel, Comparators excluded

#2 Smartphones dominate for last-minute bookings

Bookings by device during weekdays and weekend days in the US [1]

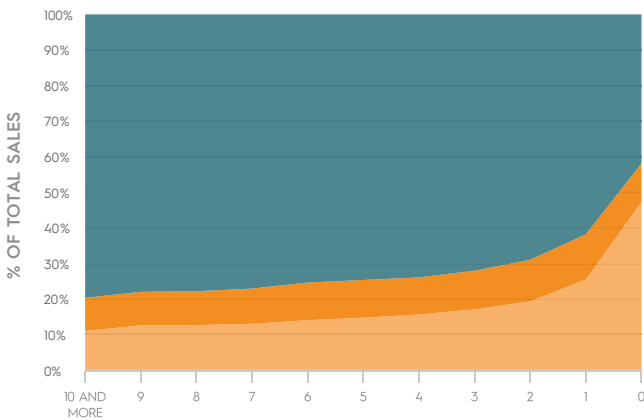


TO EACH DEVICE A TIME AND PLACE

Travelers clearly have preferences when it comes to when they book and with which device. The share of smartphone bookings is significantly **higher during the weekend** (+9 points). In the US, weekend bookings are nearly 40 percent mobile (+11 points).

During weekdays, travelers also have their preferred moments. Smartphones account for 22 percent of the bookings in the morning (37 percent including tablets) and just 16 percent in the afternoon. This pattern applies across all sub-categories and is especially pronounced in regions like France and Germany, where the share of smartphone bookings can swing from 7 percent to 25 percent depending on the hour of the day and the day of the week.

Bookings by device when getting closer to the check-in day [2]



FOR A LAST-MINUTE HOTEL BOOKING, TRAVELERS GRAB A SMARTPHONE

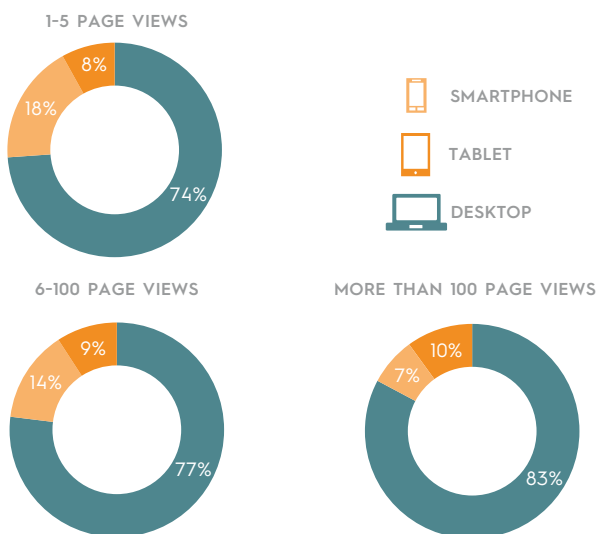
Smartphones account for a remarkable 47 percent of same-day hotel bookings. Add in tablets, and the share is 58 percent. This is a clear reason to think mobile-first for those last-minute room discounts and offers.

“Advertisers should think mobile-first for last-minute room discounts and offers”

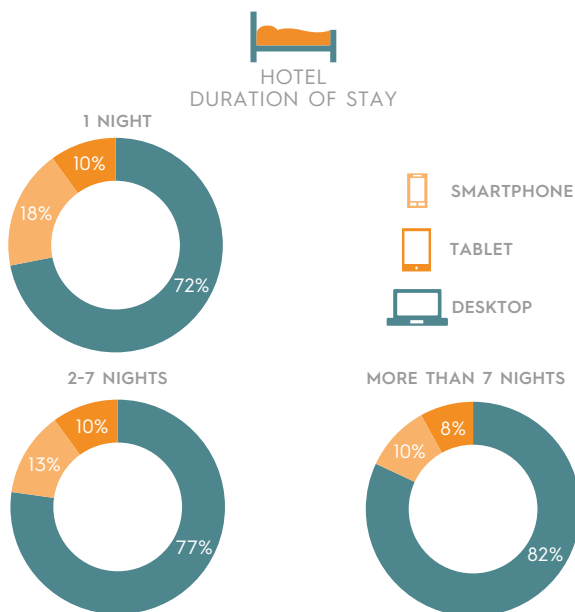
[1] June 2015 – all travel sub-verticals, OTAs, and suppliers, United States; excluding apps

[2] Worldwide, Hotels, June 2015 – OTAs and suppliers, excluding apps.

Bookings by device, depending on the number of page views before booking [1]



Bookings by device depending on the duration of stay [2]



THE JOURNEY BEFORE THE JOURNEY

Smartphones are often preferred for making a simple booking, while consumers appear to prefer desktops during the comparison phase. Indeed, among bookings preceded by fewer than five page views, more than 18 percent are made from smartphones. But for bookings preceded by more than 100 page views, smartphones account for only 7 percent.

This shows the clear role smartphones have in the buying journey, and emphasizes why cross-device tracking is so vital. Criteo observes that **21 percent of online bookings are not correctly measured by advertisers**, because the final transaction occurs on another device than the one where the click was made. It is even higher at 26 percent when the click is made on a mobile device. Users simply finalize their bookings on the devices of their choice.

SHORT STAY, SMALL SCREEN

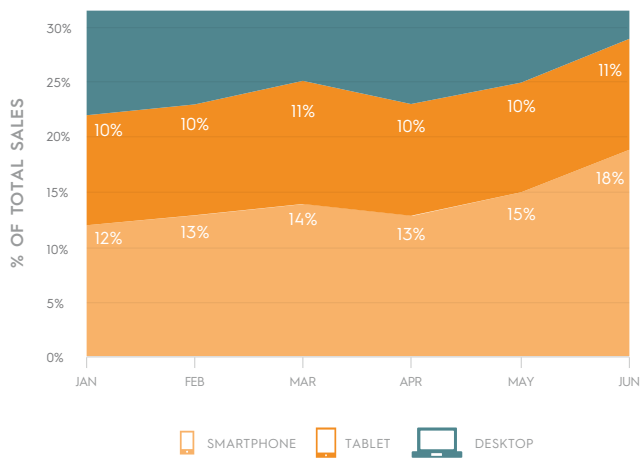
When booking shorter stays, travelers tend to use mobile devices more often. Smartphones in particular account for just 10 percent of bookings for stays of a week or more, but they register 18 percent of one-night stays. Tablets are very stable and remain around 10 percent regardless of the duration of the stay.

“21% of online bookings are not correctly measured by advertisers”

[1] June 2015 – Worldwide – Hotels – OTAs and suppliers, excluding apps.
 [2] Worldwide, Hotel advertisers, June 2015, excluding apps.

#3 Travel season is mobile season

Share of hotel bookings by month, from January to June 2015 [1]



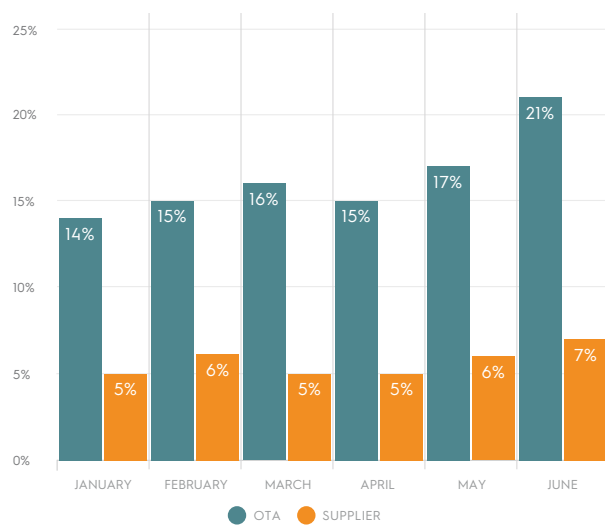
The spring and summer seasons see an acceleration of mobile adoption. Bookings made on smartphones grow steadily between January and June in most regions, except in the Southern Hemisphere.

Hotel bookings made on smartphones increase from 12 percent to 18 percent between January and June. This is partly because of seasonal travel, but also because travelers are more likely to be out and about (and away from a desktop) as the summer progresses.



[1] H1 2015 – US, UK, ES, NL, IT, JP, DE, FR, AU – Hotels – OTA and suppliers, excluding apps.

Share of bookings on Smartphone for OTAs and suppliers, H1 2015 [1]



HOTEL OTAs LEAD IN MOBILE

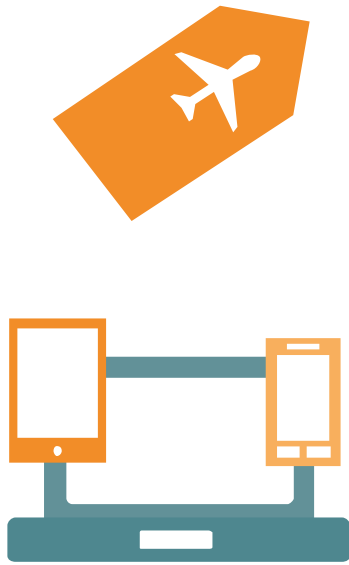
The share of bookings generated from smartphones is roughly three times higher for OTAs vs. hotel suppliers themselves, and the disparity increases throughout the travel season – from 19 percent to 26 percent from January to June, while suppliers don't get past the 7 percent mark during the entire period.



[1] H1 2015 - US, UK, ES, NL, IT, JP, DE, FR, AU - Hotel - OTA and suppliers, excluding apps.

Conclusion

Implications for travel advertisers:



- **Comprehensive tracking across all devices can account for 21 percent uplift in campaign bookings**, as decisions and transactions take place on all devices.
- Advertisers who invest in in-app tracking and advertising **generate almost half of mobile bookings (49%) directly from applications**.
- As complexity increases in all possible ways for advertisers – seasonality, users’ behaviors, devices – **programmatic buying becomes a media planning facilitator**.

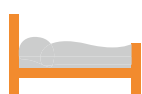
Methodology: This report comes from the analysis of data collected from more than 500 travel advertisers since early 2014, worldwide. Comparators were not taken into account. Instead, the study focuses on travel suppliers and online travel agencies. The number of bookings are those measured directly on advertisers’ websites and do not reflect the activity of Criteo. This methodology is compliant with the one used for the Mobile Commerce Report published by Criteo every quarter.

How Criteo helps travel advertisers.

Covering:



AIRLINES



HOTELS



RAIL



CAR RENTAL



PACKAGES



ACTIVITIES



OTAs



CRUISE

DATA-DRIVEN ROI

- Programmatic media buying based on individual user value
- Personalized recommendations for true 1:1 marketing
- Yield- and value-based targeting

BRAND CONTROL

- Premium inventory on top-tier publishers
- Flexible, self-optimizing real-time ads
- Cross-sell campaigns

VOLUME & SCALE

- Global reach of more than 1 billion monthly users*
- Mobile on web and apps, iOS and Android out of the box
- Cross-device intent prediction

GLOBAL COMPLIANCE

- Global privacy compliance program
- Advanced opt-out features
- Multi-lingual and multi-currency campaigns

* According to comScore MMX, Criteo exposes 1,065MM unique viewers worldwide (Age 15+, Worldwide, June 2015).

About Criteo.

Criteo delivers personalized performance marketing at an extensive scale. Measuring return on post-click sales, Criteo makes ROI transparent and easy to measure. Criteo has over 1,600 employees in 27 offices across the Americas, EMEA and Asia-Pacific, serving over 8,500 advertisers worldwide and with direct relationships with over 10,000 publishers.

For more information, please visit www.criteo.com