

A woman with dark hair tied back, wearing a teal sleeveless top and dark shorts, sits on a wooden park bench. She is looking down at a smartphone in her right hand. A white rolling suitcase with brown accents is on the ground next to her. The background shows a park setting with green foliage and a blurred figure of another person sitting on a bench to the left.

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Travel Flash Report

The who, what and where of
the smartphone traveler

October 2016 edition

Preface

Criteo analyzes millions of online bookings every day, on all devices and platforms and from hundreds of global travel suppliers and online travel agencies (OTAs). This makes Criteo a central source for analyzing the latest trends in travel. The purpose of this annual report is to provide key observations and recommendations to help travel advertisers better understand travelers' booking behavior.

Smartphones take mobile booking to new heights



Now capturing one in five online travel bookings, smartphones are more important to travelers than ever.

Travel brands must simplify smartphone bookings to capture growing demand.

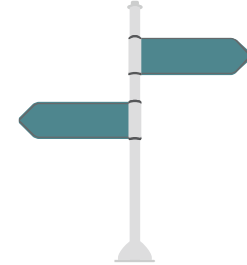
Travelers book short and late on smartphones and apps



For last-minute, in-trip booking and short stays, travelers look to smartphones and apps.

Travel brands must respond by making time and location central to the mobile booking experience.

Hotel bookings take the long road



The path to a hotel booking is longer than it appears.

This makes accurate cross-device analytics and attribution vital for consistency across touchpoints.



The dataset

This report comes from the analysis of aggregate data collected from **1,000+** travel advertisers worldwide between November 2014 and June 2016. The study focuses on travel suppliers and online travel agencies. Bookings are measured on advertisers' websites and do not reflect the activity of Criteo. This methodology is consistent with that used for the Mobile Commerce Report published by Criteo.

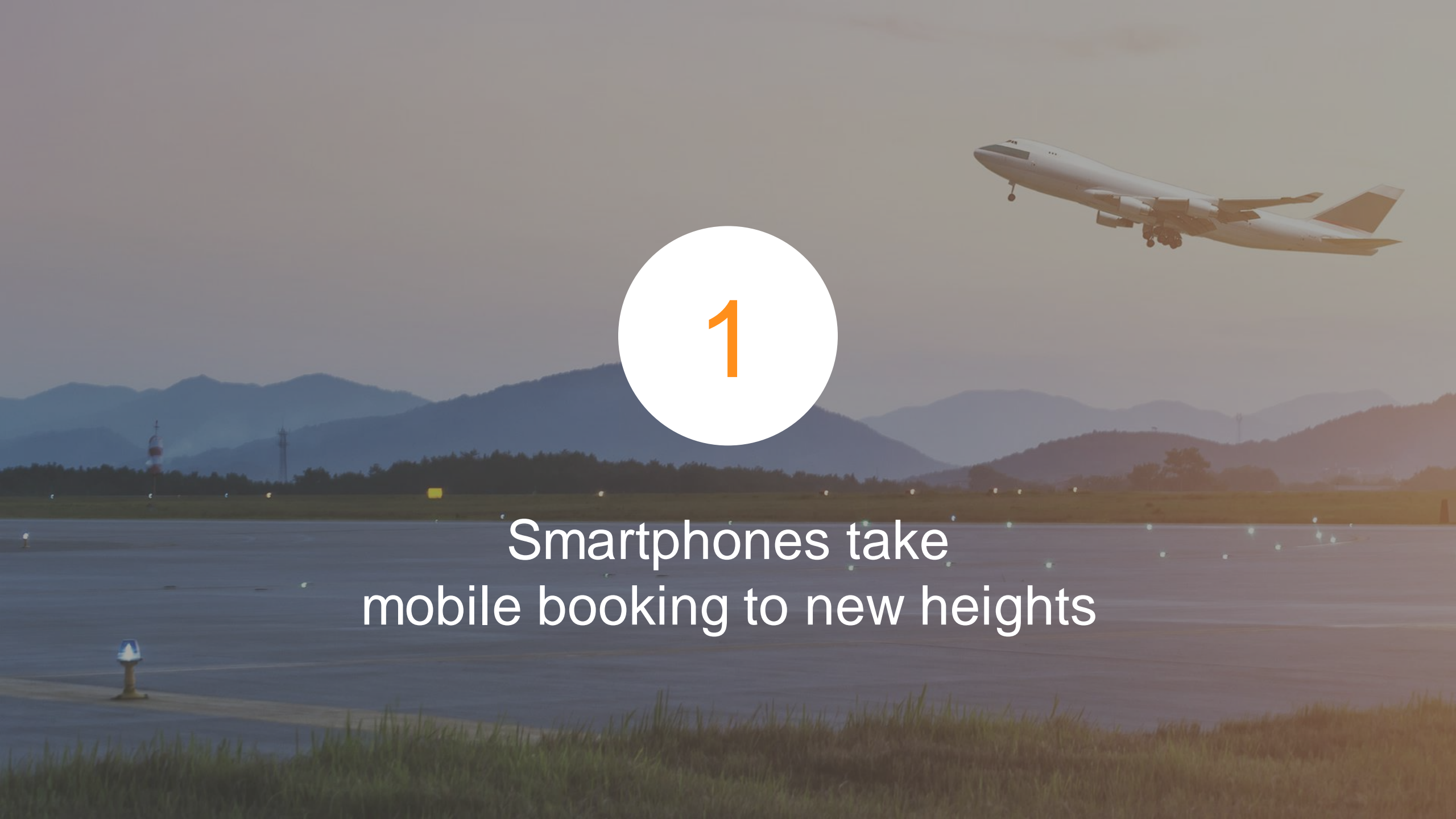


The survey

We surveyed **1,000+** US travelers representative of the US population to provide insight into the demographics and psychographics behind behaviors and trends.



1



Smartphones take
mobile booking to new heights

Smartphone bookings gain altitude

Fueled by smartphone use, close to one-third of online travel bookings worldwide took place on mobile devices in Q2 2016, up from 24% one year before.

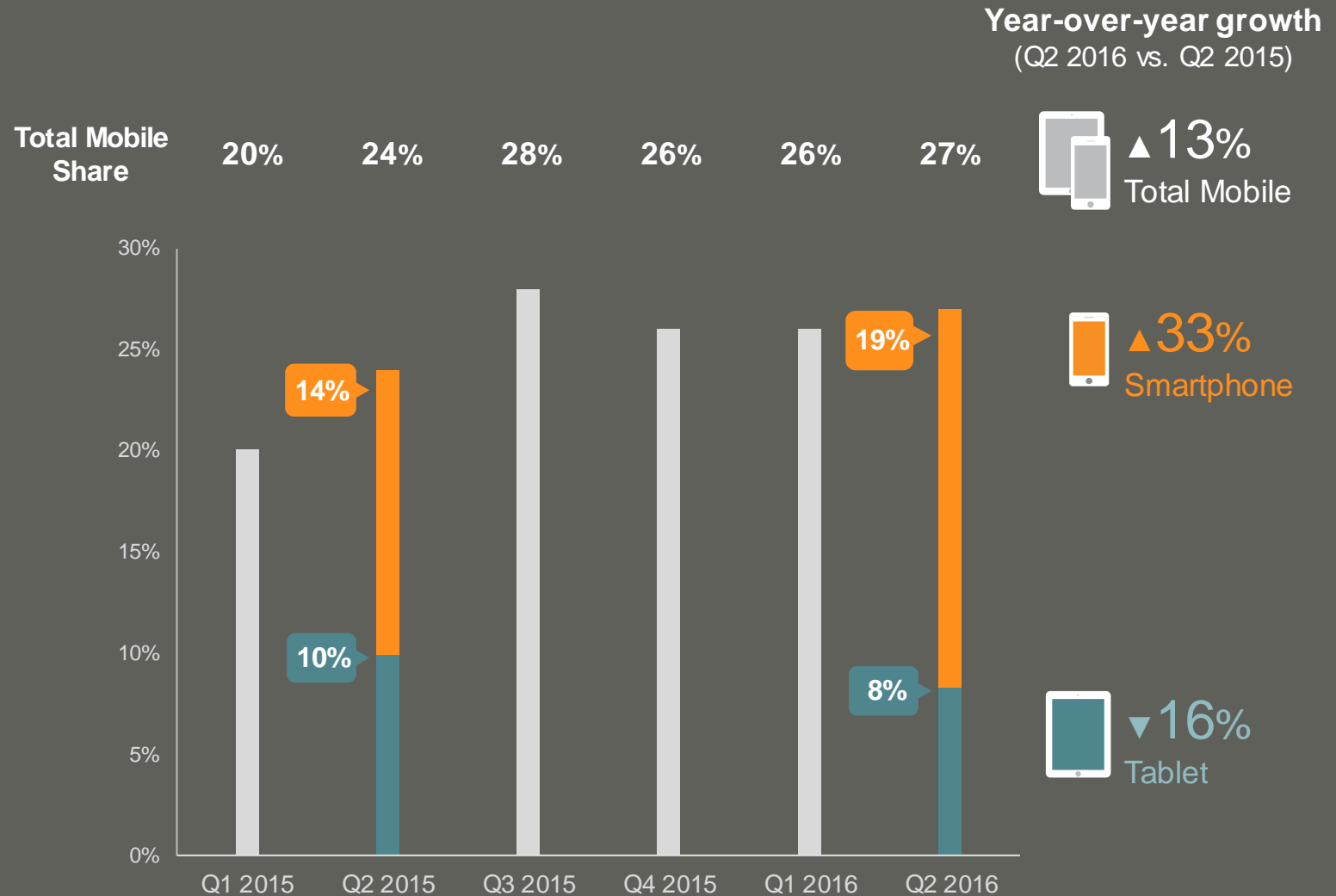
During the same period, smartphones captured nearly one in five online travel bookings, while tablets saw a downturn.



TIP FOR TRAVEL BRANDS

Continue investing and boosting efforts in smartphone-based platforms.

Share of online bookings by device type



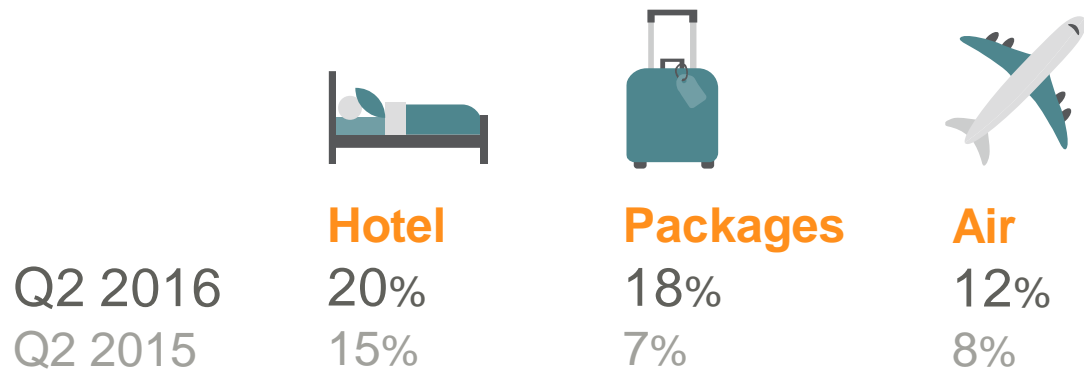
Source: Criteo dataset Q1 2015 to Q2 2016, worldwide, all travel subsectors, OTAs and suppliers, excluding apps

Smartphone growth crosses borders and subsectors

Smartphone bookings are rising around the world, and hotels remain the subsector in which smartphone bookings are most common, generating one in five online bookings in Q2 2016.

Travelers are also beginning to book more expensive packages on smartphones, particularly in Asia Pacific.

Smartphone share of online travel bookings (Q2 2016 vs. Q2 2015)



Americas

22%
16%

EMEA

14%
9%

APAC

28%
23%



TIP FOR TRAVEL BRANDS

Deploy smartphone-ready content and functionality globally.

Refer to section 4 (International trends) of this report for detailed share of online bookings by country and by device.

Source: Criteo dataset Q2 2016 and Q2 2015, OTAs and suppliers, excluding apps

Smartphone bookings increase in Germany

Mobile booking remains weak overall in Germany at 16% of online bookings in Q2 2016. Yet, bookings on smartphones inched up year over year whereas those on tablets declined.

Share of online bookings in Germany, by device type



Year-over-year growth
(Q2 2016 vs. Q2 2015)

Total Mobile Share

17%

17%

18%

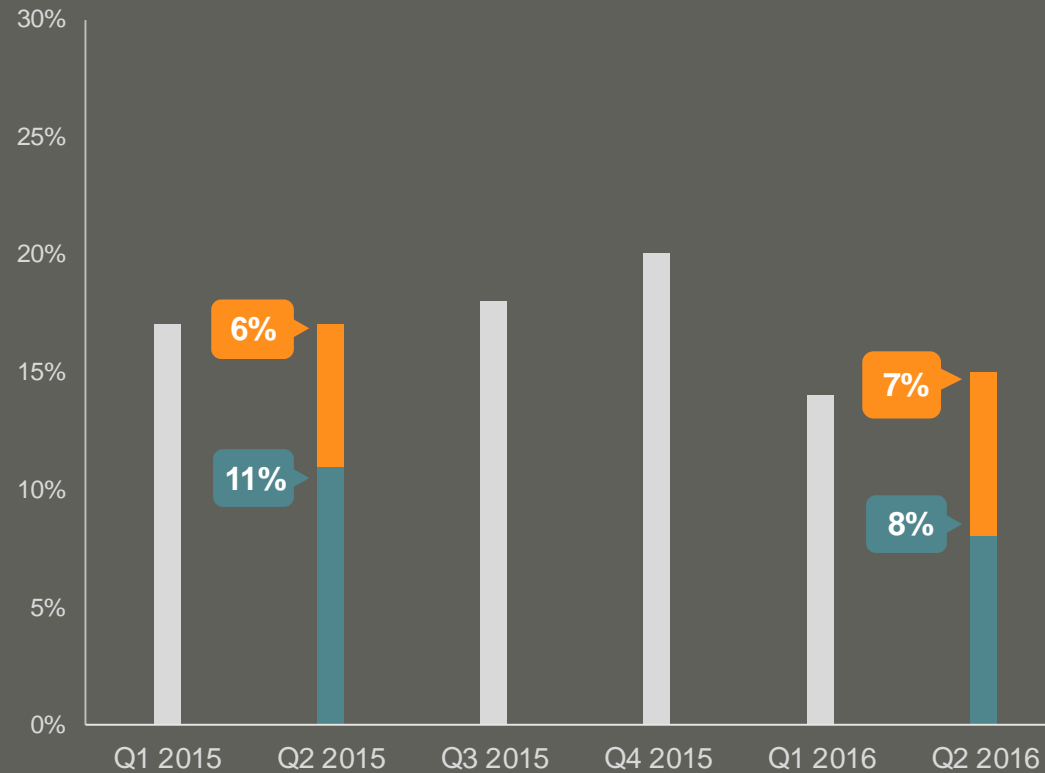
20%

14%

15%



▼12%
Total Mobile



▲17%
Smartphone



▼27%
Tablet

Source: Criteo dataset Q1 2015 to Q2 2016, Germany, all travel subsectors, OTAs and suppliers, excluding apps

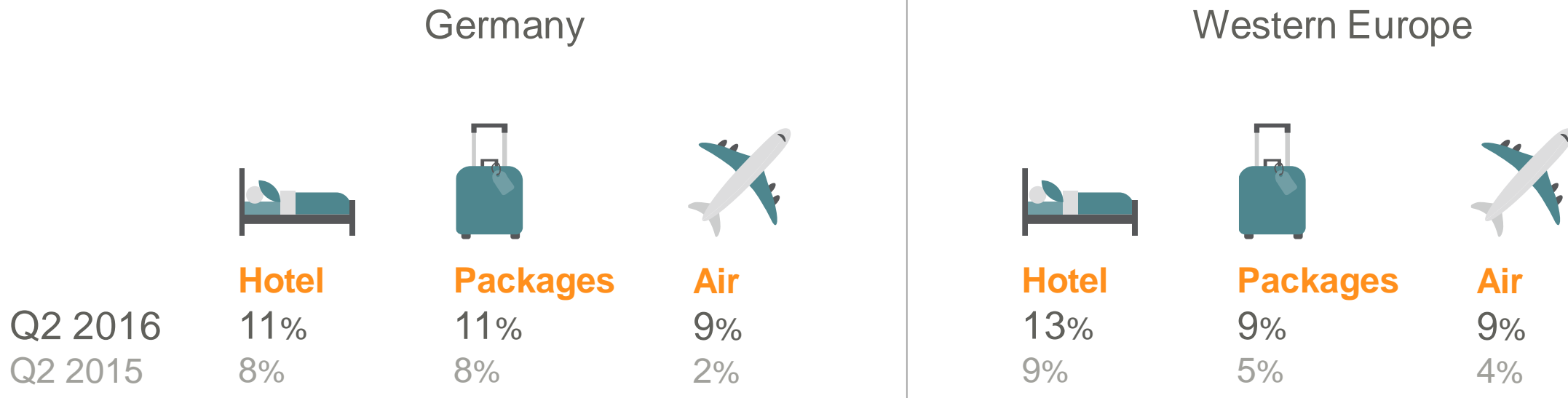
Germany catches up with Western Europe in smartphone bookings



Smartphone's share of online bookings continues to grow across subsectors in Germany and is comparable to Western Europe*, on average.

Flight bookings made via smartphone, in particular, increased significantly to 9% from 2% last year.

Smartphone share of online travel bookings (Q2 2016 vs. Q2 2015)



* Western Europe includes UK, Germany, France, Belgium, the Netherlands, Spain, Portugal, Italy, Austria, Switzerland, Finland, Denmark and Norway

Source: Criteo dataset Q2 2016 and Q2 2015, OTAs and suppliers, excluding apps

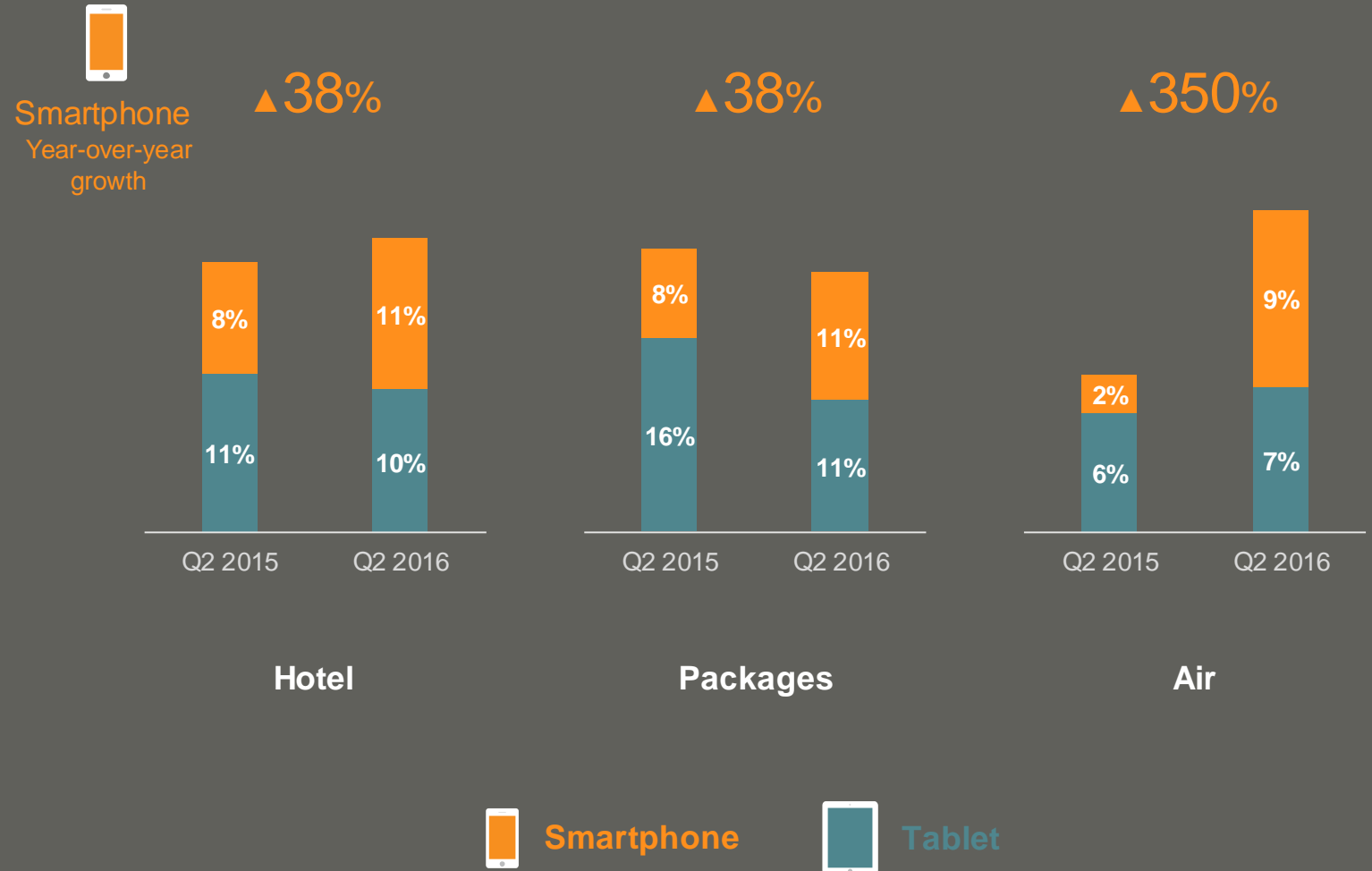
Smartphone bookings grow across subsectors in Germany

Smartphones start to take a bigger share of online travel bookings across subsectors, particularly for air where bookings are 4.5x higher in Q2 2016 versus the same period last year.

For packages, smartphones reached parity with tablets in Q2 2016 and are likely to dominate in the second half of the year.

In Q3 2016, smartphone bookings are expected to have the highest share ever across subsectors, with a strong year-over-year growth especially for air.

Mobile share of online bookings in Germany, by sector and device type



A young man and woman are standing in an airport terminal, looking at a smartphone together. The woman is holding a suitcase. The background is a busy airport with other people and lights.

2

Meet the
smartphone travel generation

Smartphone travelers tend to be millennials

Smartphone travelers are those who shop for and/or book travel on their smartphones.

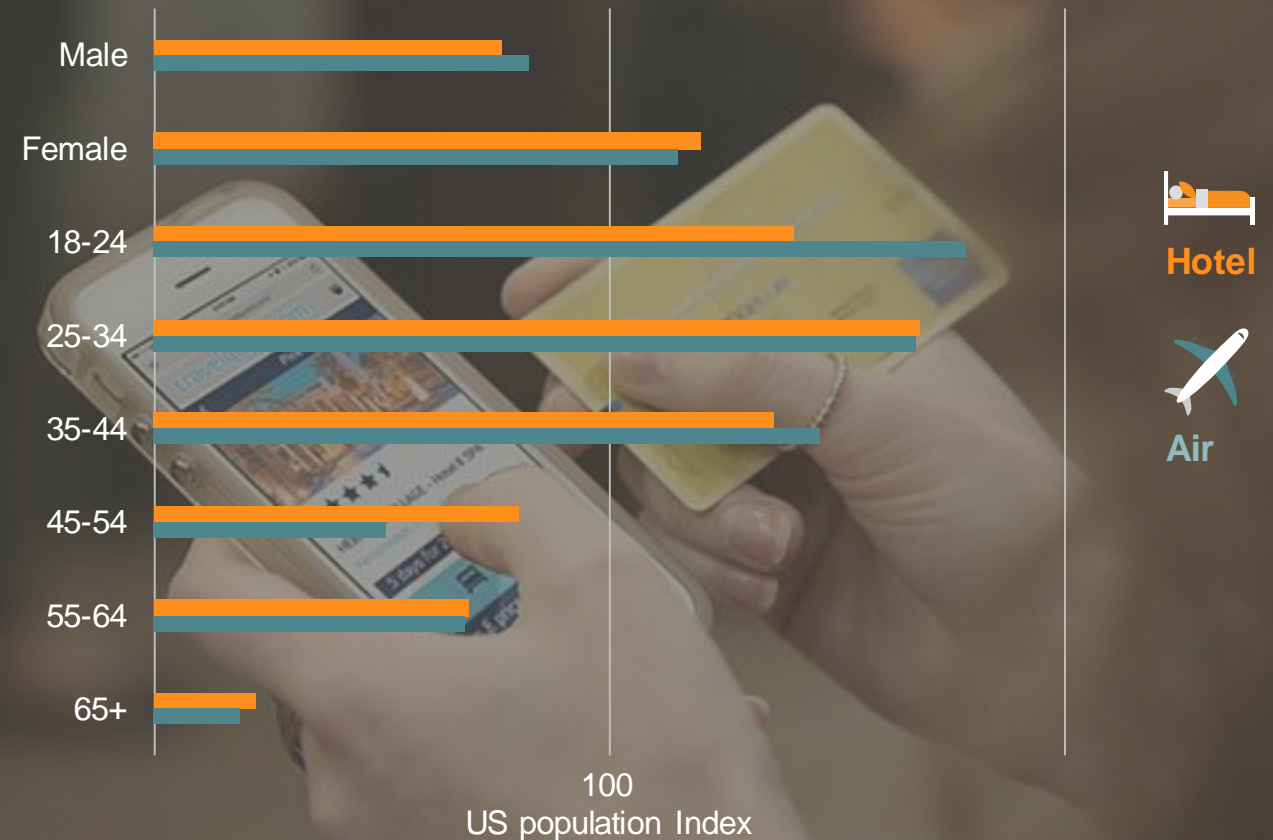
In the US, they are more represented by women aged 18-44.



TIP FOR TRAVEL BRANDS

Adapt mobile experiences to the needs of influential, connected millennials.

Travelers who shop via smartphone for hotel and air (indexed vs. US population)

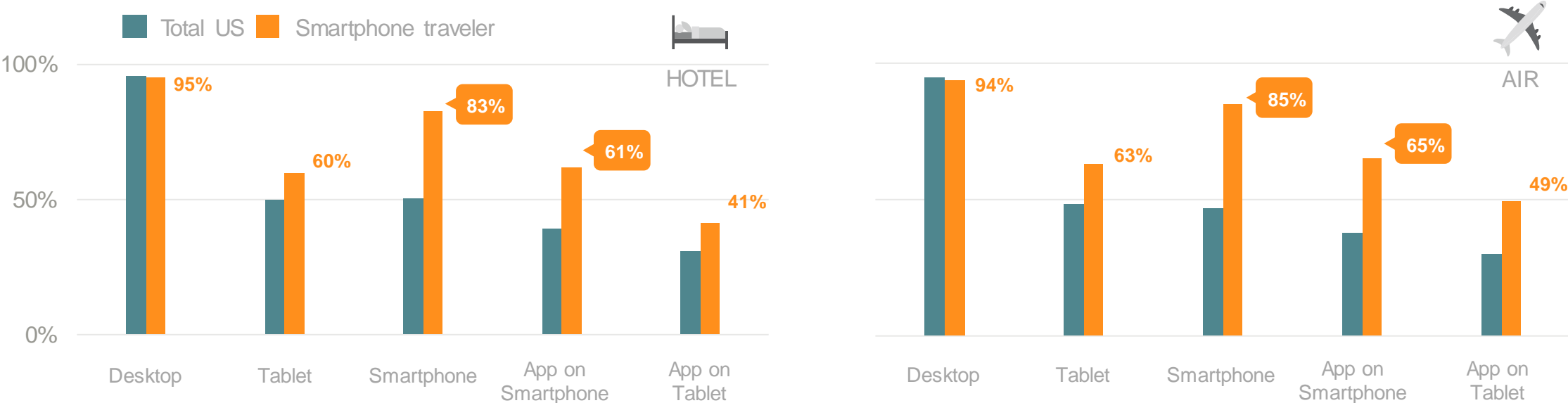



Source: Criteo survey N=1,083 travelers living in the US who booked either a flight or hotel online in the past three months

Smartphone travelers do not just book on mobile: they are masters of cross-device

They are, without surprise, more likely to book on smartphone browsers and apps. However, they do not appear to be smartphone-exclusive, as likelihood to use other devices remains high.

Likelihood of travel booking by device type



 **TIP FOR TRAVEL BRANDS**
 Capture more bookings by tracking online activity across devices and platforms.

When you make a hotel / flight booking, how likely are you to complete the reservation in the following ways?

Source: Criteo survey N=1,083 travelers living in the US who booked either a flight or hotel online in the past three months; N=355 / N=198 Travelers who shop for hotels / flights via smartphone

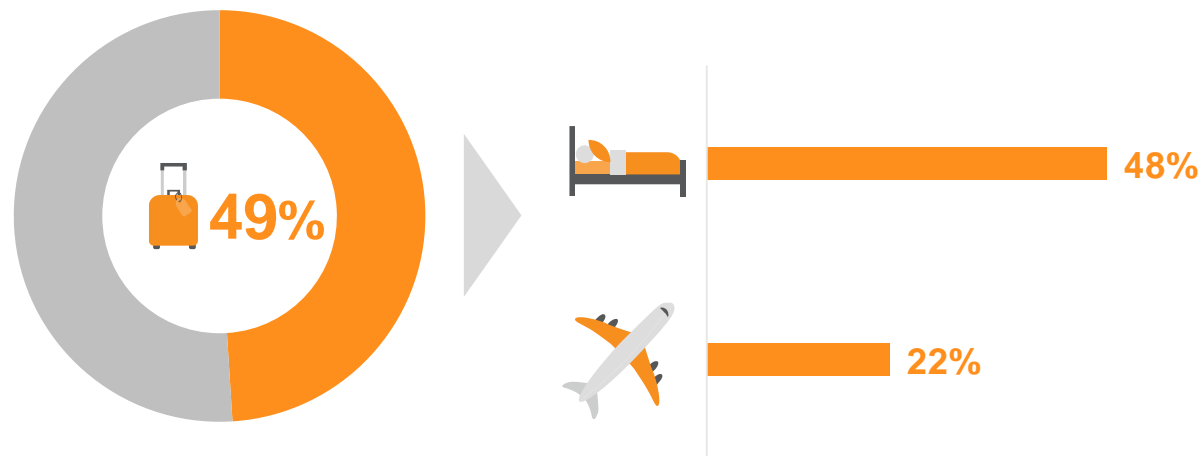
Smartphone travelers book in-trip*

Nearly one in two Smartphone travelers confirm that they made a booking while already traveling, versus around a third (37%) of US travelers on average, with in-trip hotel bookings more common than flights.

A large majority made those in-trip bookings via smartphone.

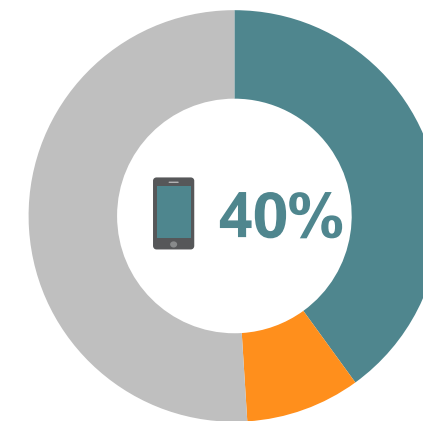
Smartphone travelers who made bookings:

IN-TRIP OVERALL



Do you recall making a reservation while you were already traveling?

IN-TRIP on a smartphone



Did you make a booking on a smartphone while you were already traveling?

*while traveling

Source: Criteo survey N=1,083 travelers living in the US who booked either a flight or hotel online in the past three months; N=355 / N=198 Travelers who shop for hotels / flights via smartphone



TIP FOR TRAVEL BRANDS

Emphasize time and location to capture in-trip bookings on smartphones.

Smartphone travelers book at the last minute

About half of all hotel bookings made within 24 hours before check-in, and almost a third of next-day bookings are made via smartphone.

Share of online bookings by device type



TIP FOR TRAVEL BRANDS

Be visible even up to the last minute and particularly on smartphones.

Apps dominate short stays

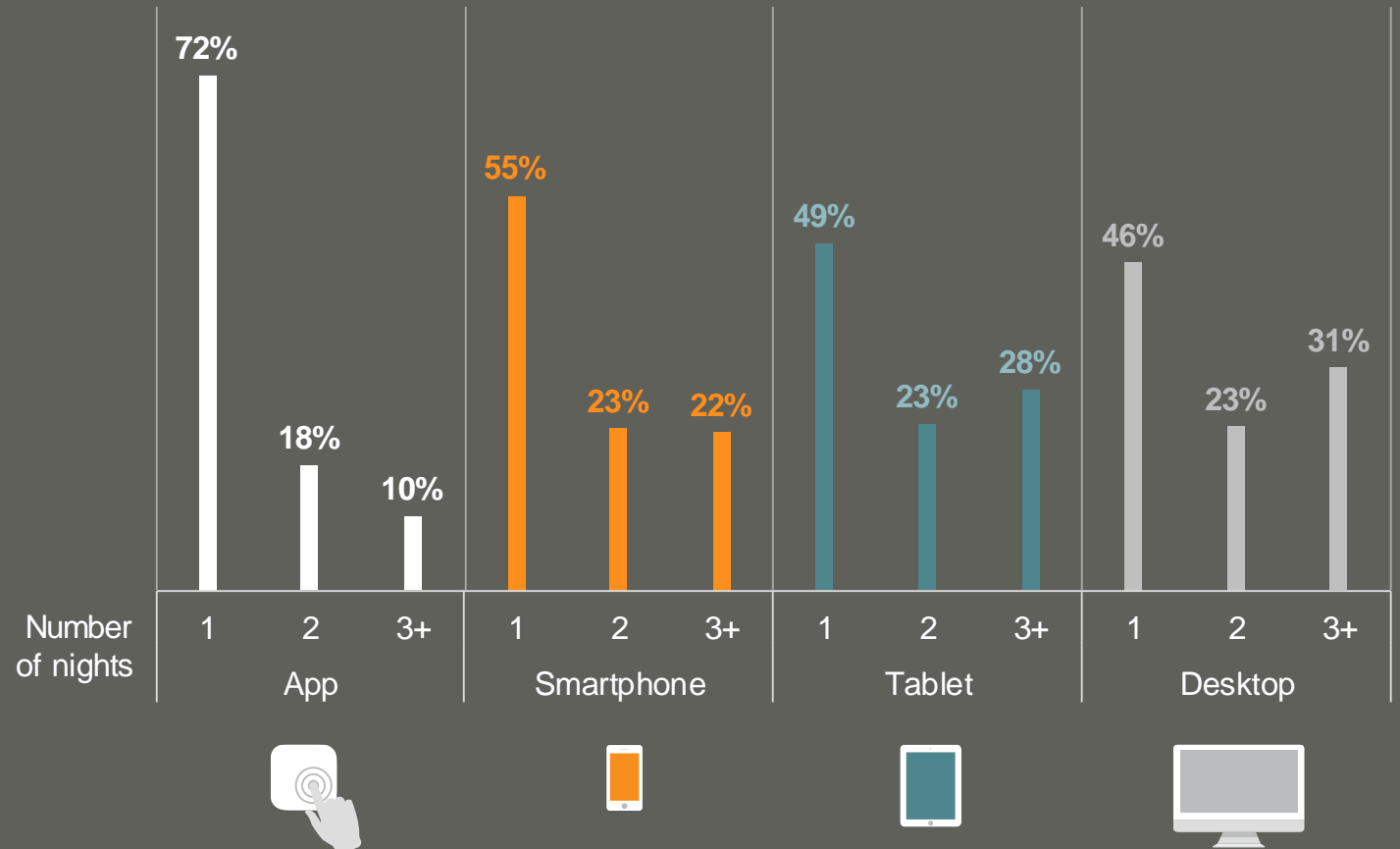
For one-night stays, apps have a clear lead over other devices or platforms, with nearly three in four app bookings made for one-night stays.



TIP FOR TRAVEL BRANDS

Capture short-stay bookings on apps with “right here, right now” booking features.

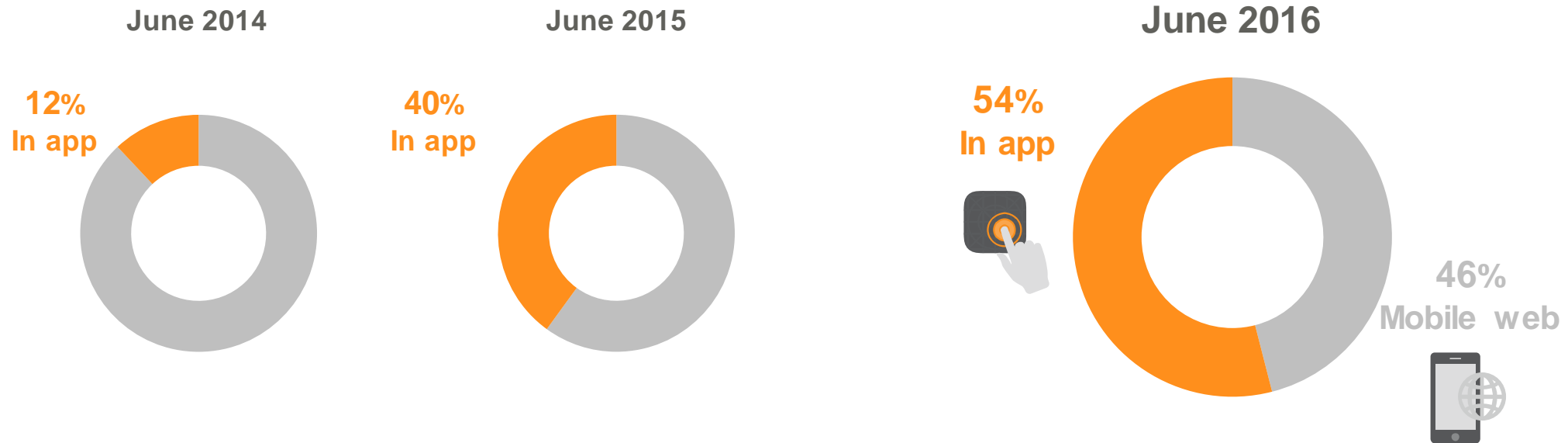
Share of online bookings by device type vs. length of stay (in number of nights)



In-app is up for committed travel brands*

Over the past two years, travel brands that invested in their apps saw constant growth in app bookings, from 12% to now 54% of all mobile bookings.

Share of in-app bookings among committed travel brands



TIP FOR TRAVEL BRANDS

Encourage app installs with services that really make a difference.

*Committed travel brands are those with consistent tracking of both mobile and in-app transactions over the past two years

Source: Criteo dataset June 2014, June 2015 and June 2016, worldwide, all travel subsectors, OTAs and suppliers. Includes sites that have over 25% of e-commerce transactions on mobile, 10% of which are from mobile apps

Who's not on board?

In the US, around four in five travelers are equipped with a smartphone suitable for making online bookings, so device size and features are typically not an obstacle.

So why do they book on a desktop?

1. Convenience of browsing
2. Reluctance to install apps
3. Concerns over mobile security
4. Save roaming data

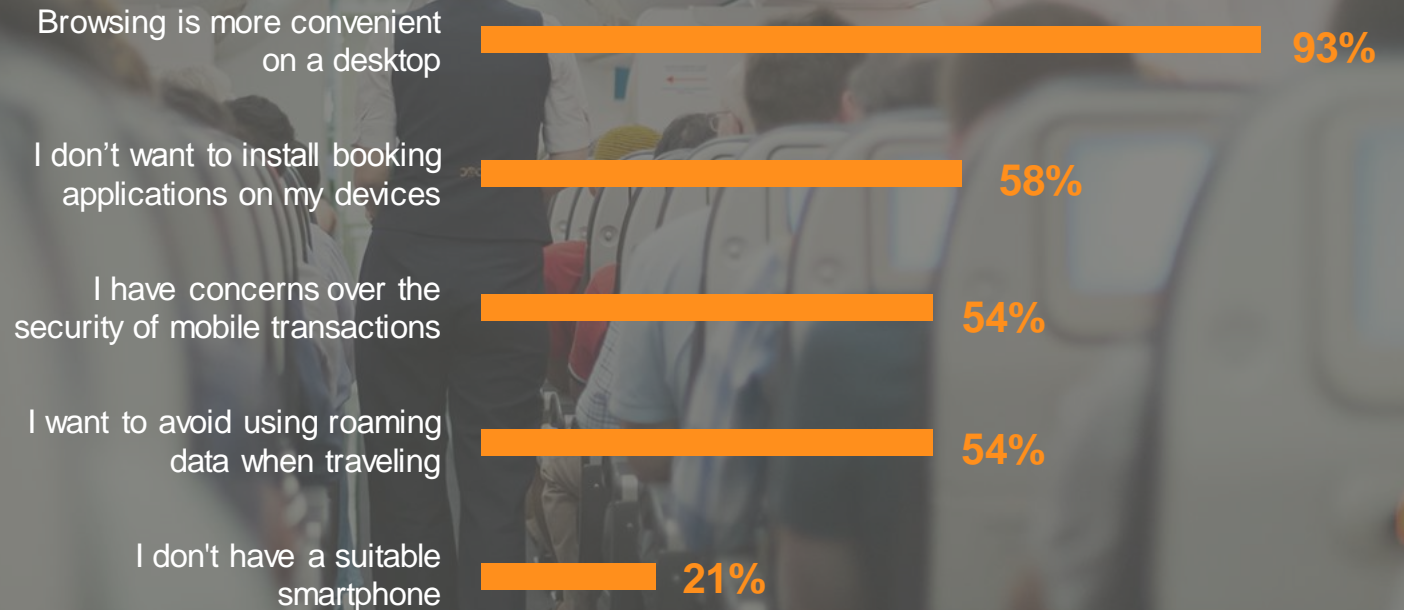


TIP FOR TRAVEL BRANDS

Make it simple, secure and quick to book via mobile.

Reasons why some travelers book on desktop instead of mobile

(% of likely)



When you book on a desktop/laptop computer instead of a mobile device, what is your motivation?

Source: Criteo survey N=1,083 travelers living in the US and who booked either a flight or hotel online in the past three months

Make smartphone booking a breeze

One-click simplicity



Create a ready-to-book experience, especially for last-minute, on-the-spot bookings.

Seamless across devices



Make the user experience consistent and synchronized across devices.

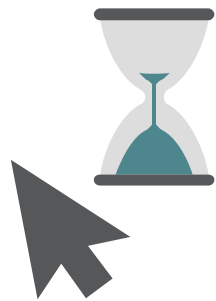
Clearly secure



Showcase sophisticated transaction security on all platforms, but provide simple payment options.

Encourage app installs

Make it fast and easy



Highlight speed and ease of use, particularly for last-minute bookings and short stays.

Entice with deals and perks



Use attractive services and deals to drive installs, such as useful notifications and travel organizers.

Personalize recommendations



Leverage past searches and travel, most-used selection criteria and wish lists.



3

The hotel path to booking
is a multi-leg journey

More visits = more devices

For longer decision cycles (particularly for hotels) involving four or more visits, it is more likely that travelers will use several devices.

Travel sites with long decision cycles must thus avoid cross-device bias in analytics and attribution.



TIP FOR TRAVEL BRANDS

Account for the customer decision cycle in cross-device analytics.

Average number of devices used by number of visits*



Number of visits to complete a hotel booking

* Visits made on a retailer's website with a 30-minute interval

Source: Criteo dataset Q2 2016, France, Germany, Japan, UK & US, hotel OTAs and suppliers, excluding apps

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Hotel booking path is longer than it seems

Cross-device or “user view” measurement shows that many of what appear to be single-visit hotel bookings are, in reality, just another visit from another device by the same user.



TIP FOR TRAVEL BRANDS

Ensure that your tools have the ability to provide full user-centric reporting.

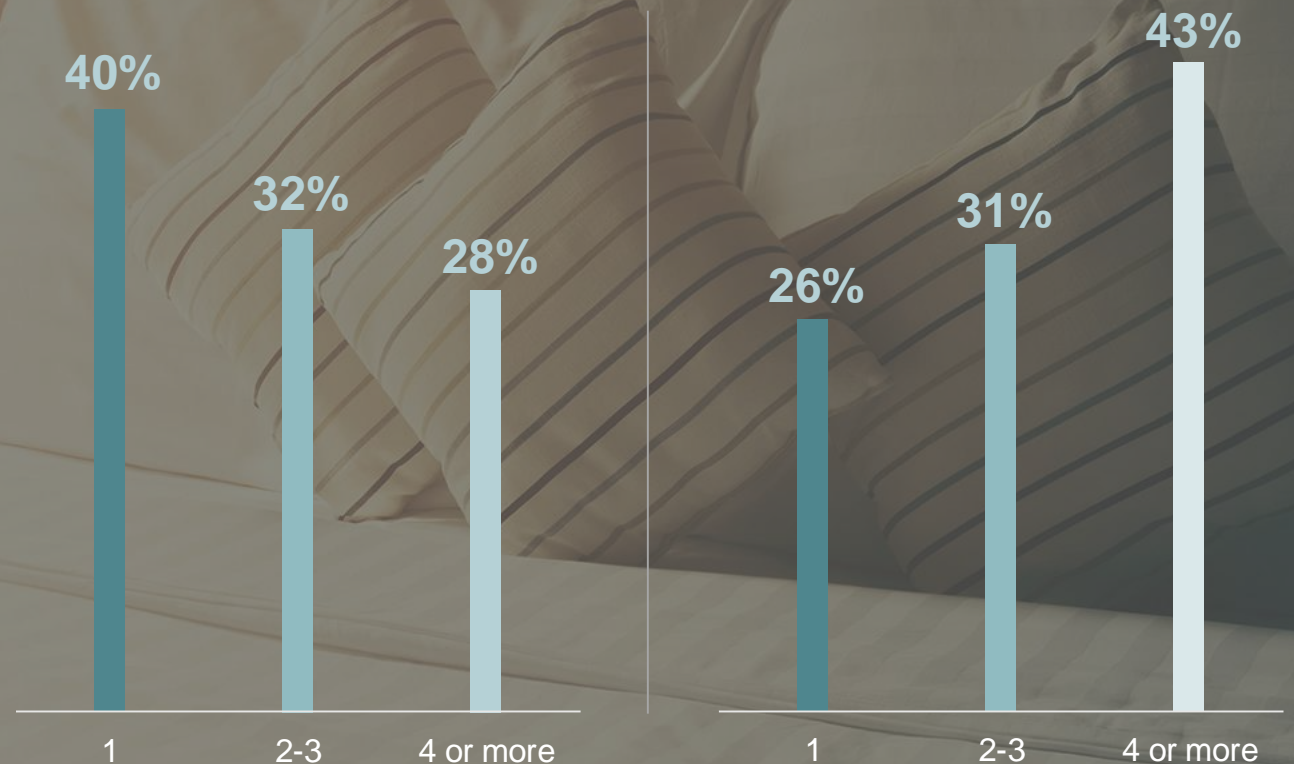
Share of bookings by number of visits*



Device view



User view



Number of visits to complete a hotel booking

* Visits made on a retailer's website with a 30-minute interval

Source: Criteo dataset Q2 2016, France, Germany, Japan, UK & US, hotel OTAs and suppliers, excluding apps

Tip

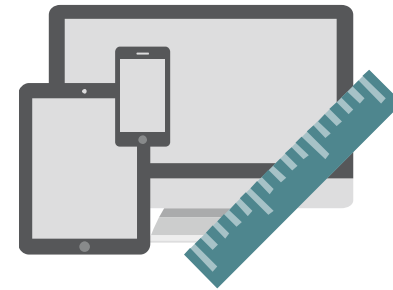
Adopt a user-centric view

On each visit:



Stay visible throughout the selection and booking process, and make the most of each website visit with personalized offers and recommendations.

Across all devices:



Accurately measure online activity and use cross-device attribution to optimize impact across all marketing channels.

A photograph of two young women with long hair, smiling and taking a selfie. The woman on the left is holding a black smartphone up to take the picture. They are standing in front of the Eiffel Tower in Paris. The image has a semi-transparent grey overlay.

4

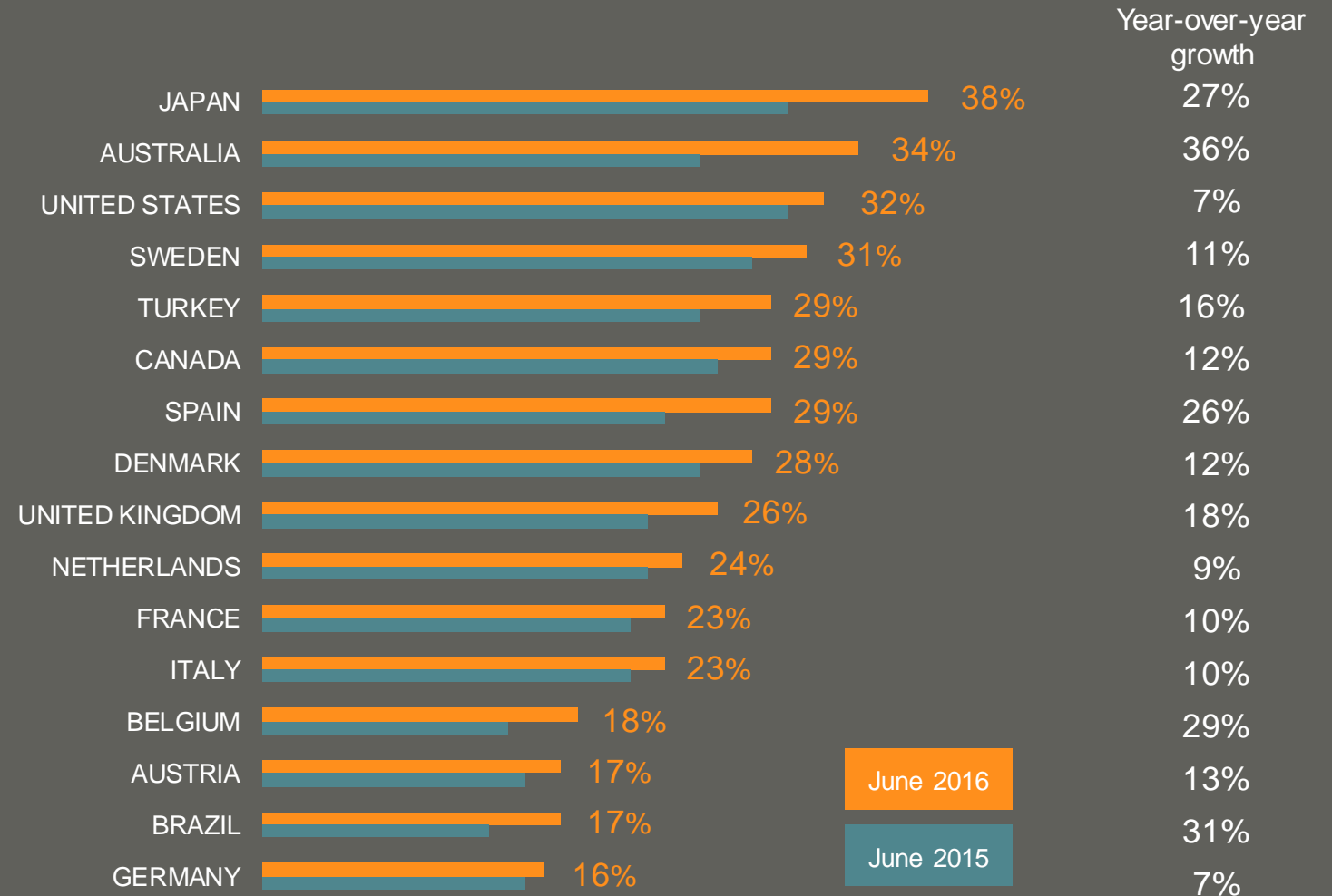
International trends

Japan, Australia and the US are in the lead

Almost two in five bookings are now done on mobile devices in Japan and around one in three in Australia and the US, with Australia showing the highest year-over-year growth of 36%.

Mobile bookings in Spain, Belgium and Brazil also soared by at least 26% year over year.

Mobile web share of online bookings by country



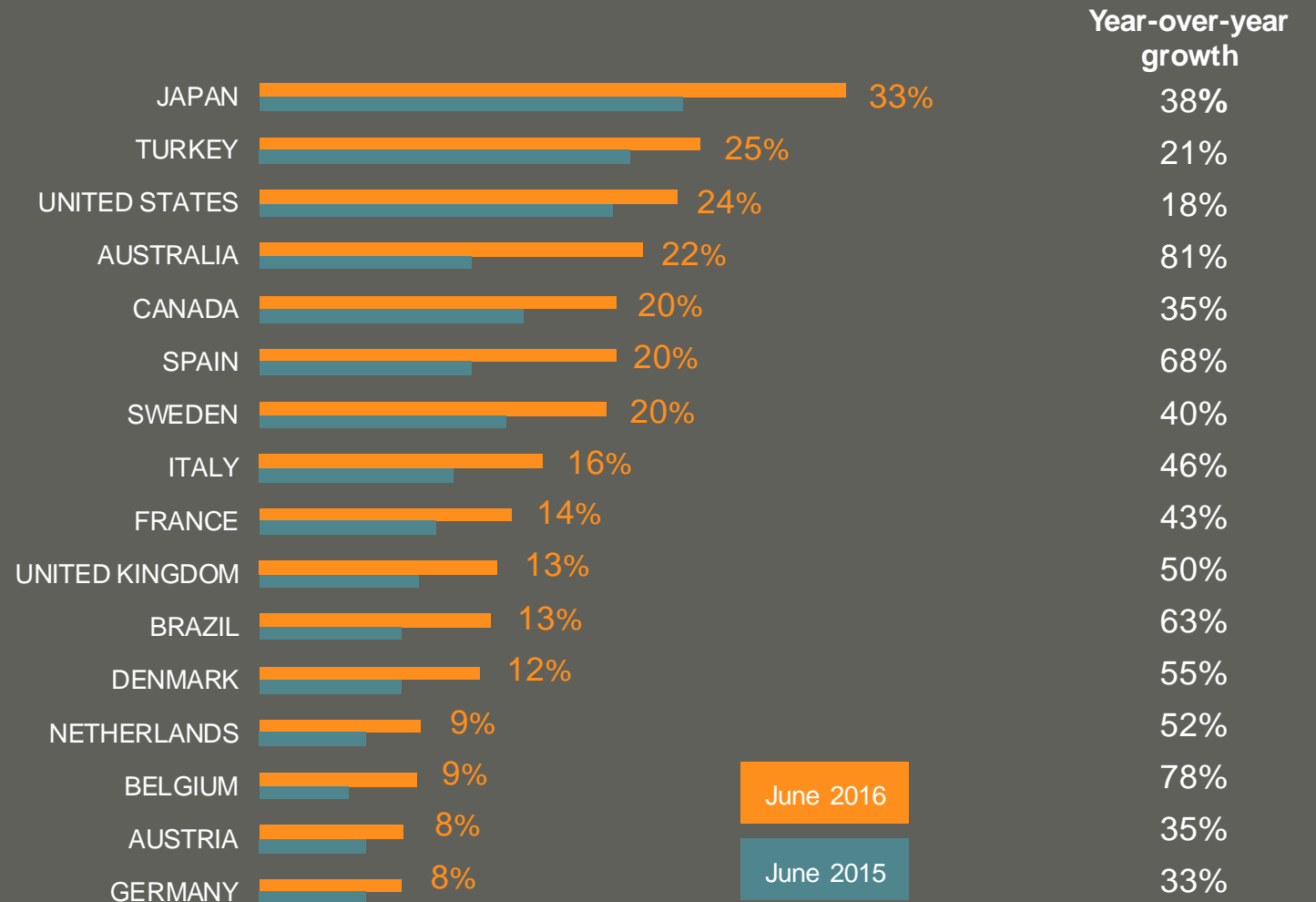
Smartphones fuel mobile booking growth

About a third of online bookings in Japan are done on smartphones, and a quarter in Turkey and in the US.

Smartphone bookings grew steadily in all markets, except in the US, where penetration is already high.

Australia, Belgium and Spain showed the strongest increases in smartphone bookings year over year.

Smartphone share of online bookings by country



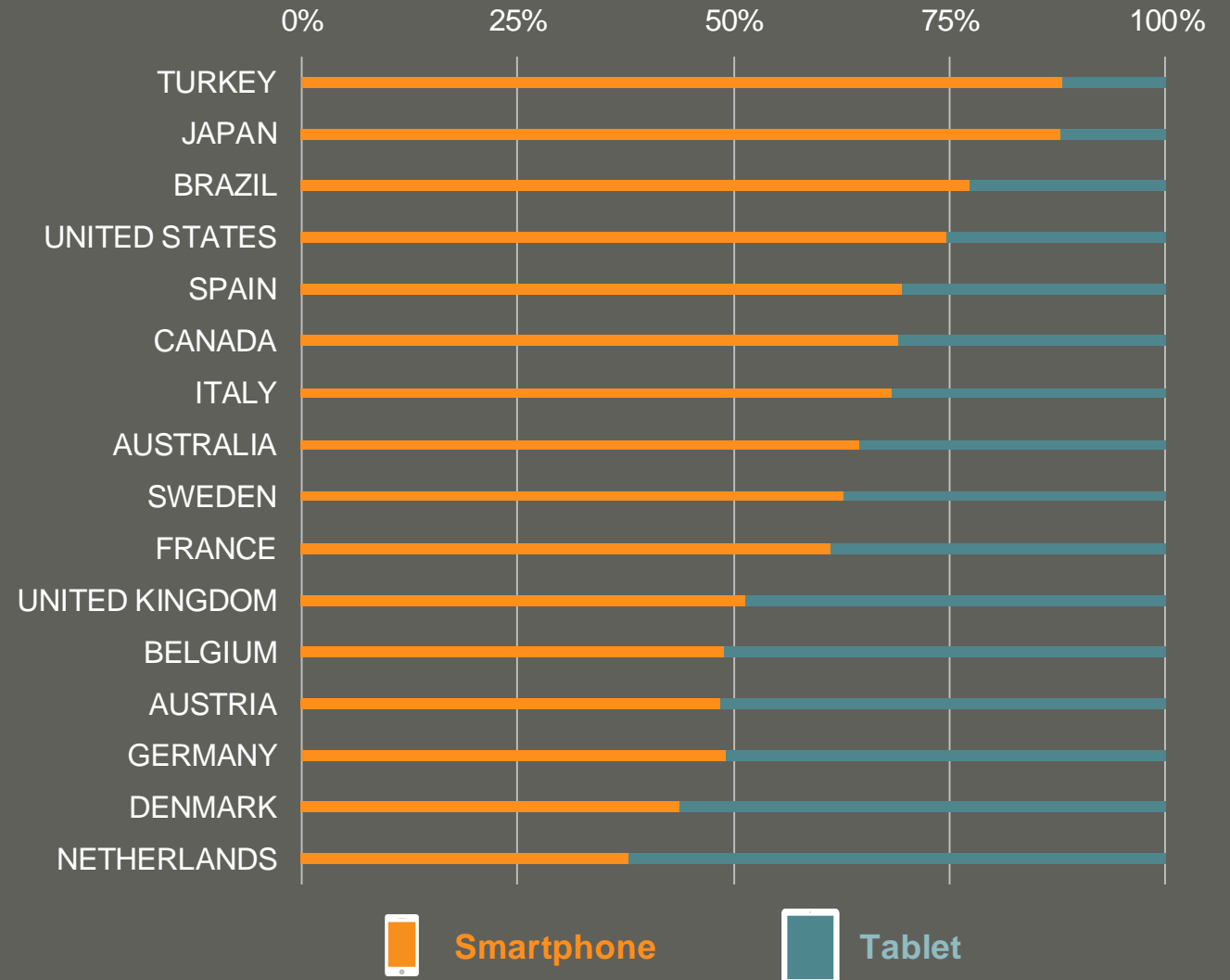
Smartphones surpass tablets in most markets

Smartphones clearly dominate tablets in terms of mobile bookings in most markets.

About nine in ten mobile bookings are already made on smartphones in Turkey and Japan, around three in four in Brazil and the US, and about two in three in Spain, Canada and Italy.

Tablets remain strong in Northern Europe, where they have long been travelers' preferred device, but the trend is toward growth in smartphone bookings.

Share of smartphones vs. tablets among mobile web bookings by country



A woman with long brown hair, wearing a grey sleeveless top, a patterned scarf, and blue jeans, is walking from left to right. She is pulling a white suitcase with brown straps and is looking back over her shoulder. In the background, there is a grocery store with shelves stocked with various products. A man in a suit is walking past her on the left side of the frame.

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Thank you!

About Criteo

Criteo (NASDAQ: CRTO) delivers personalized performance marketing on an extensive scale. Measuring return on post-click sales, Criteo makes ROI transparent and easy to measure. Criteo has 2,000 employees in 31 offices across the Americas, EMEA and Asia Pacific, serving 12,000 advertisers worldwide with direct relationships with 17,000 publishers.

Criteo ads reach over 1.2 billion unique Internet users (comScore, January 2016).

This and other interesting reports may be found at:

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