THE RETURN OF TRAVEL

CUTTING THROUGH THE NOISE

APRIL 2021

Prep
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80 DAYS
HOTEL & TRAVEL MARKETING

In the 5th report in our *Cutting Through The Noise* series, we share key insight, trends and sentiment analysis that indicate a returning demand for travel. We highlight opportunities and key takeaways to help hoteliers be better prepared for the months ahead.

The UK's vaccination rollout has gathered momentum and a schedule of lockdown easing has been announced. Assuming global supply and logistical issues can be addressed promptly, there is hope that other countries will follow a similar pattern.

Through analysis of the data from over 500 hotels, courtesy of our sister company Hotel Benchmark, along with data kindly provided by the travel team at Google, we've been able to identify a number of key trends influencing the recovery of travel in 2021.

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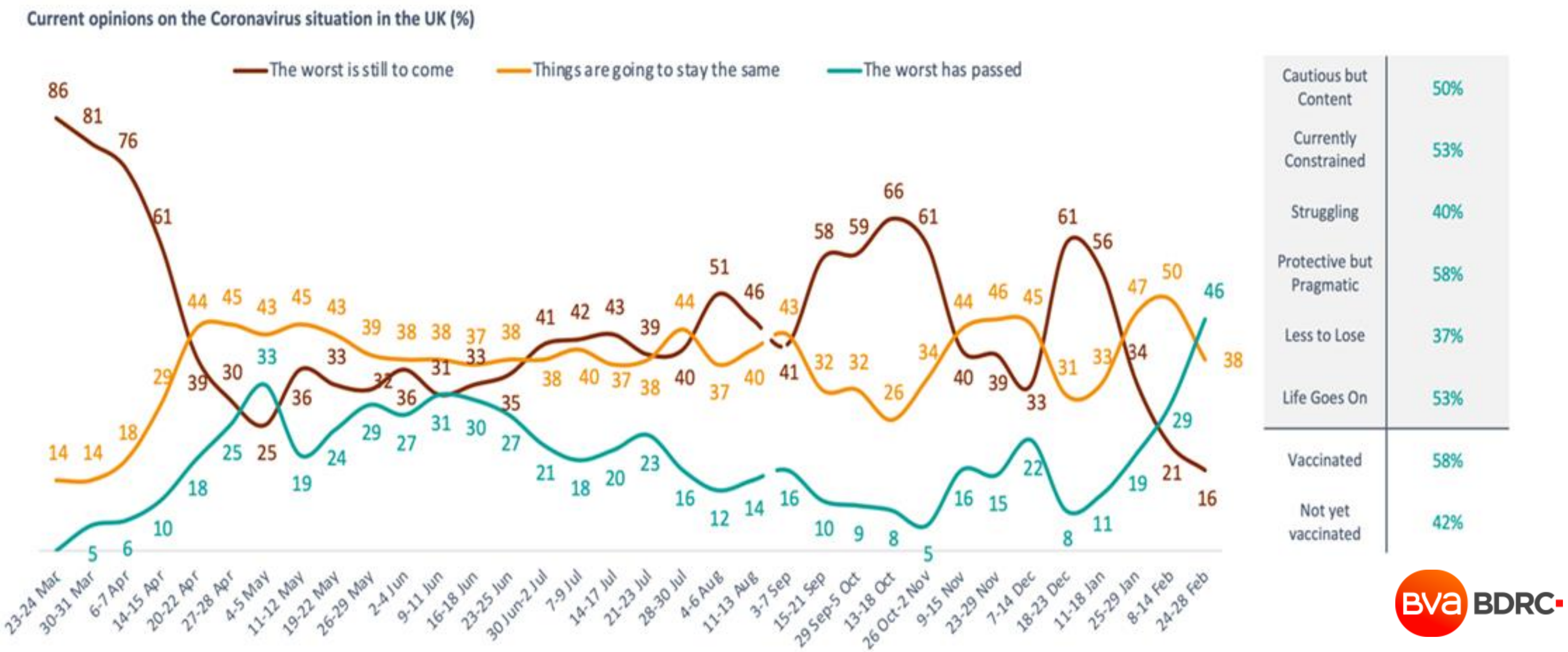
SENTIMENTS & TRENDS

MAJORITY BELIEVE WORST HAS PASSED
OPTIMISM PEAKS

We begin with this market sentiment data from our friends at BVA BDRC that shows the UK public's opinion on the Coronavirus situation, as of March 1st, 2021. Pre-Christmas the sentiment was overtly negative. However, during the first few months of 2021 we see that trend reversed; **46% of those surveyed now believe that the worst has passed.** One could extrapolate that this opinion shift may see booking trends improve and create opportunities for hoteliers.

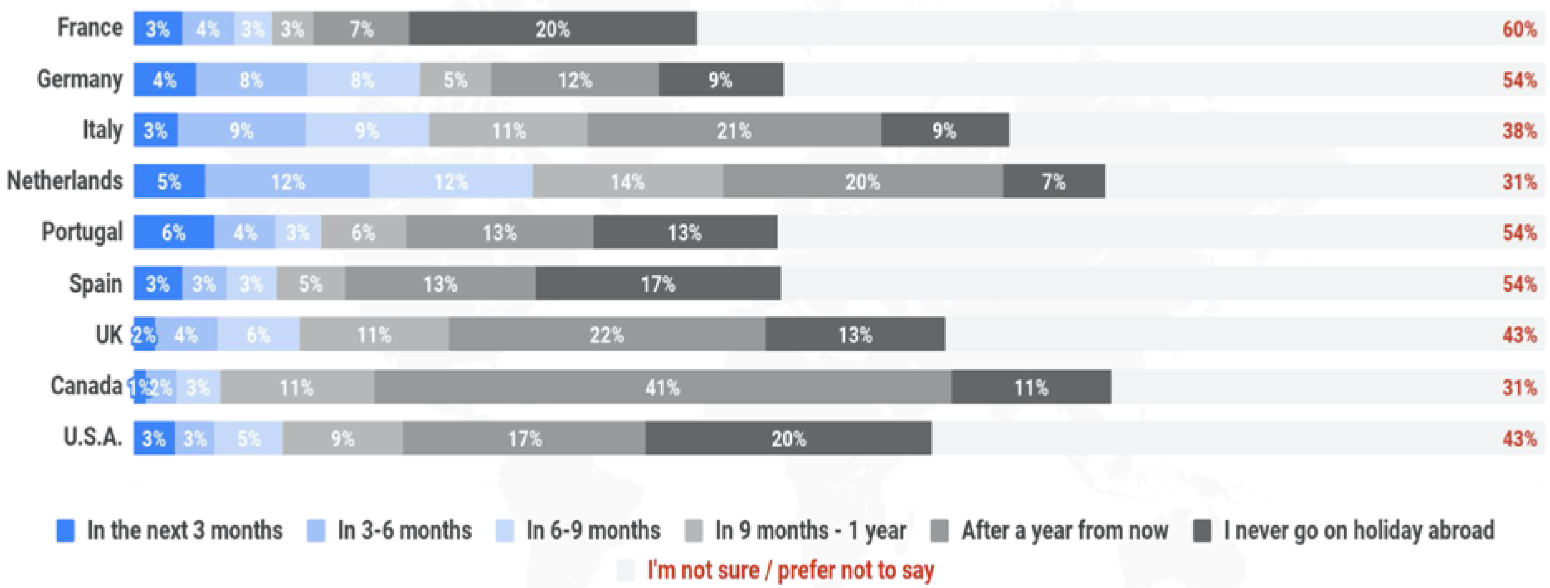


INTERNATIONAL TRAVEL UNLIKELY IN 2021

Google data suggests that, perhaps unsurprisingly, international travel is looking less likely to happen in 2021.
As of the end of February, long-established markets like the USA and the UK appear reluctant (or unable) to travel internationally, with just 11% and 12% planning to travel within the next 9 months. There are some exceptions, e.g. the Netherlands, although this is more likely due to their land-bordering with other countries.

Of course, this is an emerging picture and may change as the pandemic evolves, but the key takeaway today is to ensure your marketing and advertising only target those who are in-market to travel to you.

When are you next planning to travel internationally for a vacation?



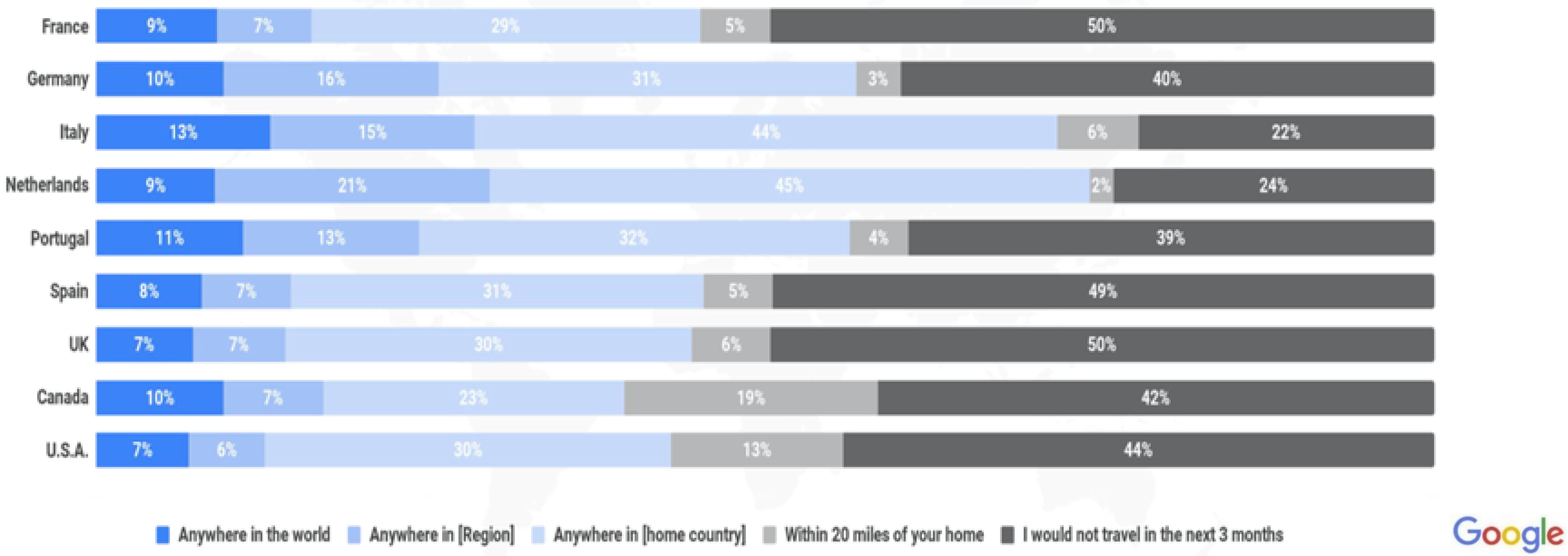
Google

DOMESTIC TRAVEL REMAINS PROMISING

Further data from Google helps reinforce the **importance of the domestic travel market for the foreseeable future**. When asked, if you did book travel in March, April or May, where would you be most likely to travel to?, the emphasis was very much on domestic travel (the lightest blue below).

Of course, local and international travel restrictions will play a key role in determining which potential audiences are available for your hotel. As the data below suggests (in light grey) – it could even be a hyper-local audience (within 20 miles).

If you did book travel that would occur in the next 3 months, where would you be most likely to travel?

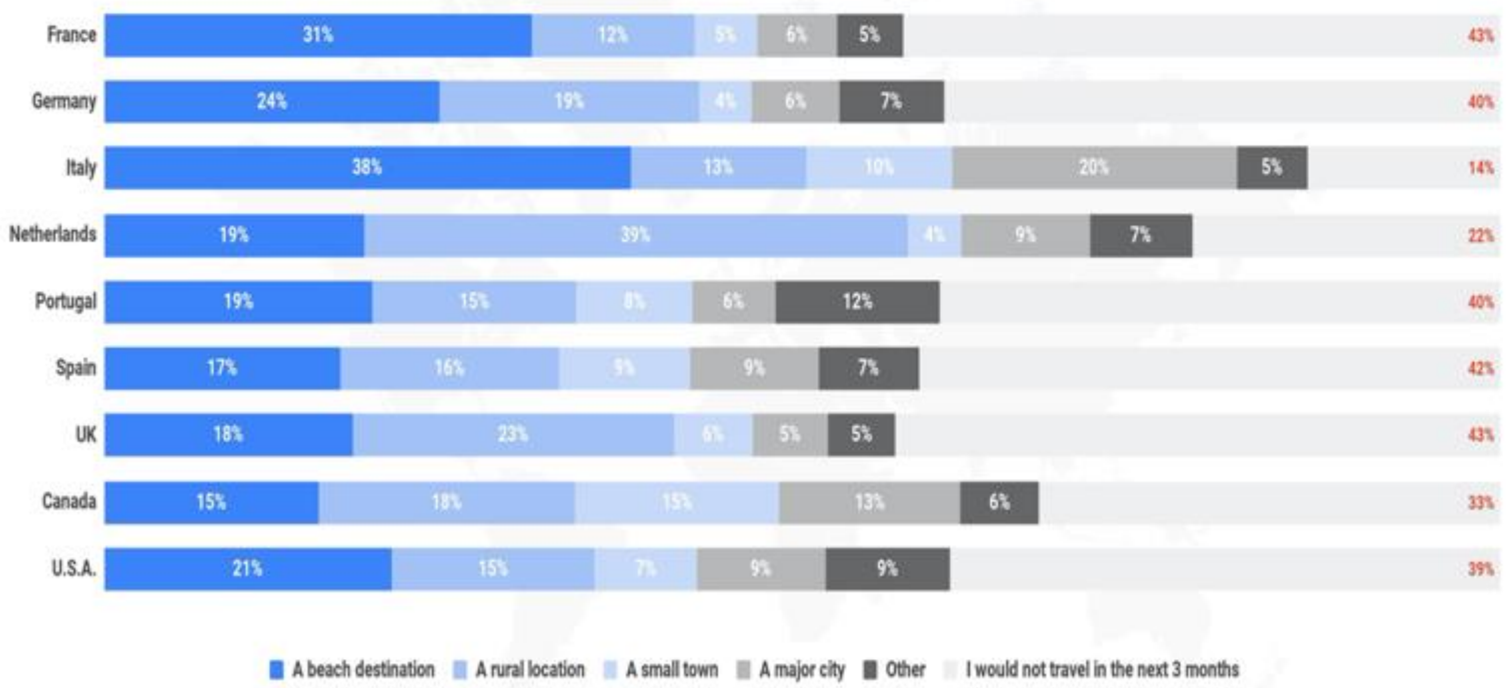


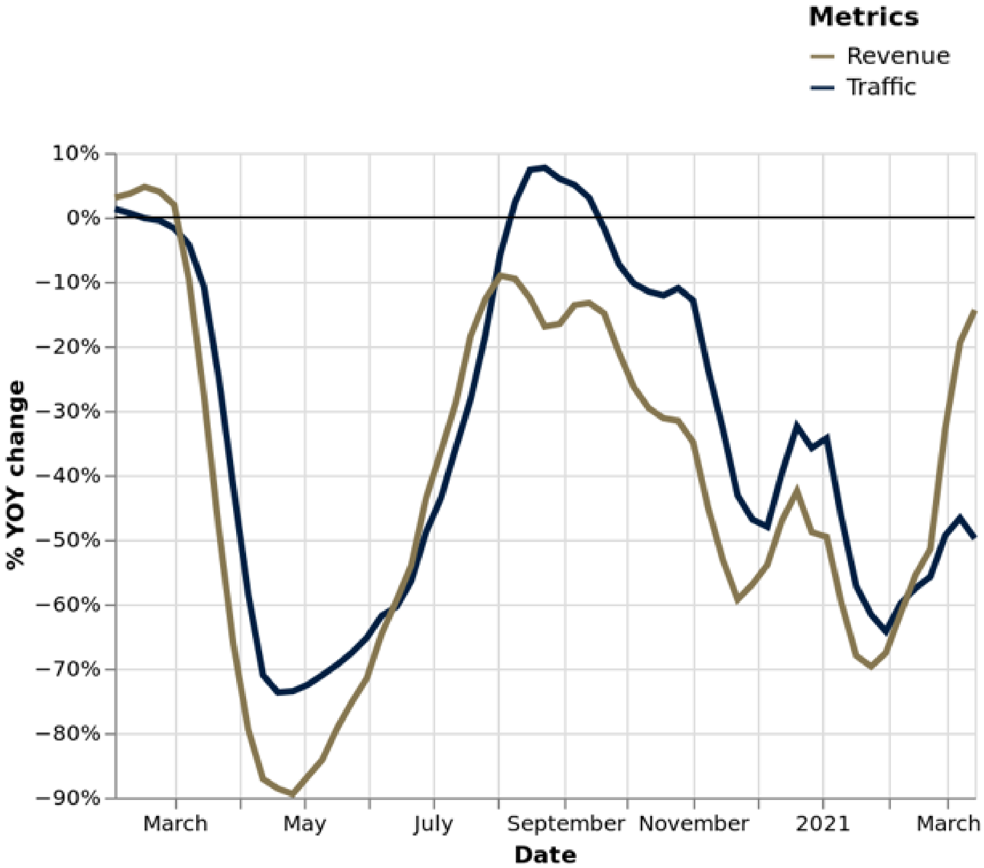
RURAL & BEACH TRAVEL DOMINATES

Our final insights from Google reinforce a trend we've already discussed – that of a **market preference toward rural and beach travel**, over that of city breaks. There is commonality in this trend right across Europe, as the data below illustrates.

Of course, if you're a city-based hotel then you can't simply move your property, but rest assured we have some pointers later in this report on how to attract audiences to your hotel as travel reopens.

If you were to travel in the next 3 months, would you be most likely to want to go to..?



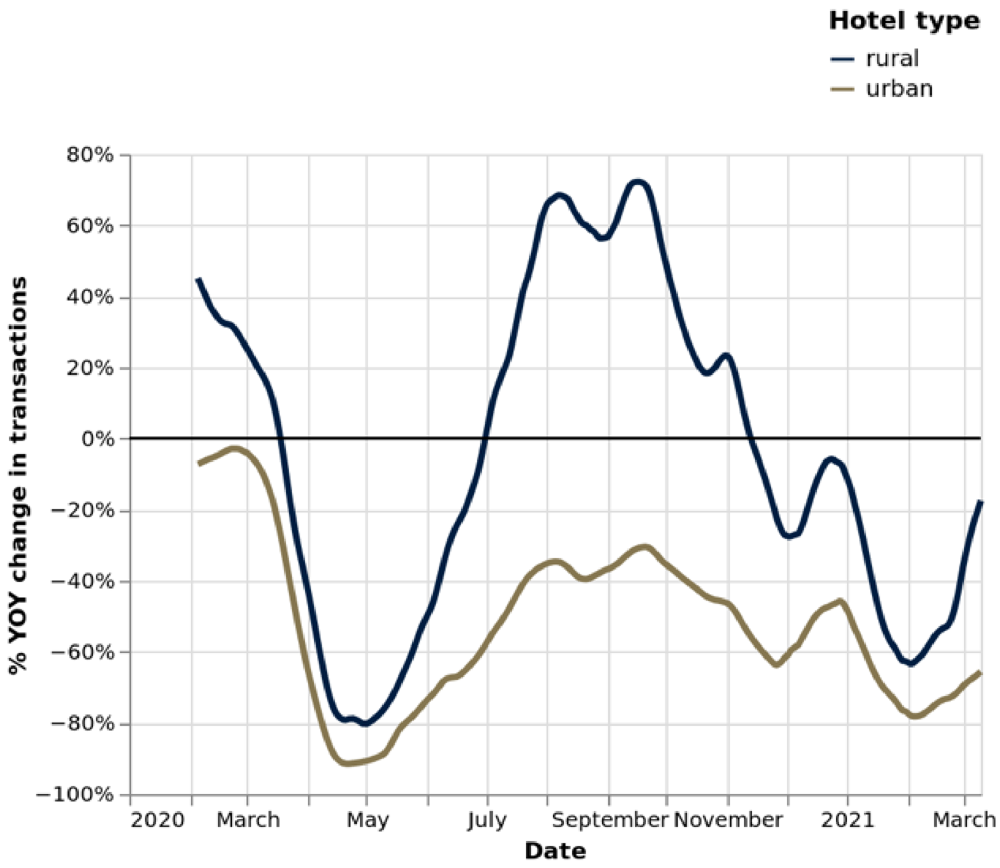


WHAT HAPPENED TO EUROPEAN VISITOR TRAFFIC & DIRECT REVENUE?

When we evaluate the website traffic and revenue data of over 500 hotels from Hotel Benchmark, we clearly see the impact that the pandemic has had upon the digital performance of European hotels.

Comparing YoY data, the beginning of the pandemic saw a steep decline with traffic and revenue dropping by over 70% and 90% respectively. Across the entire data set, revenue didn't recover to the same levels as 2019 during the entirety of 2020. Traffic did recover and indeed exceed 2019 levels briefly in August, when the severity of the pandemic eased and some markets showed strong results; namely rural and resort properties. Further lockdowns and travel restrictions at the end of 2020 resulted in further decline.

However, since the beginning of 2021, we've seen traffic trending upwards and a notable, significant, increase in revenue production, likely the impact of vaccination programmes. To monitor this ongoing trend, please visit our COVID-19 tracker.



HOTEL BENCHMARK

HOW DOES HOTEL TYPE AFFECT PERFORMANCE?

If we evaluate bookings by hotel type, we see that initially the pandemic affected both rural and urban hotels reasonably evenly, both dropping by between 80-90%.

However, the recovery of rural properties was far quicker and indeed rural properties saw YoY transactional growth of 60-70% over the Summer before dropping away as lockdown and travel restrictions were reintroduced across Europe. City properties did not fare as well, down by around 40% during the Summer months before declining further towards the end of 2020.

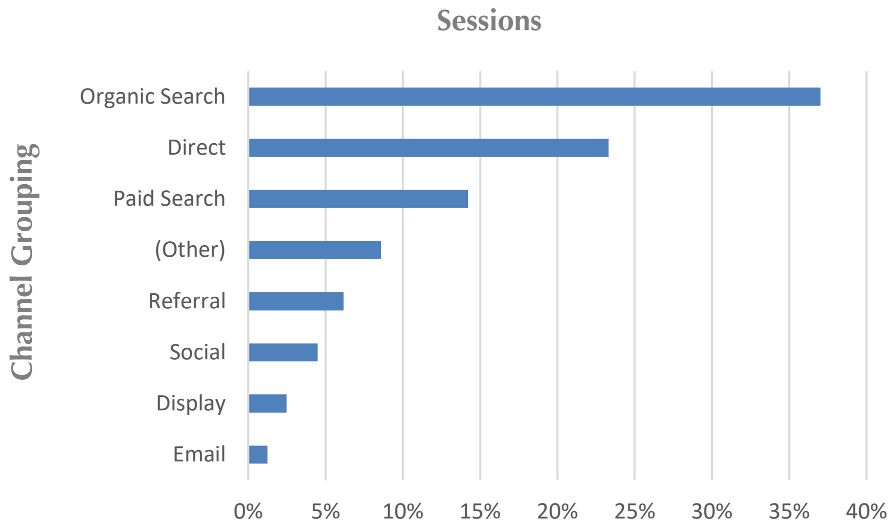
When we look at 2021 performance to-date we see that both city-based and rural properties are trending upwards, following a similar trend to 2020.

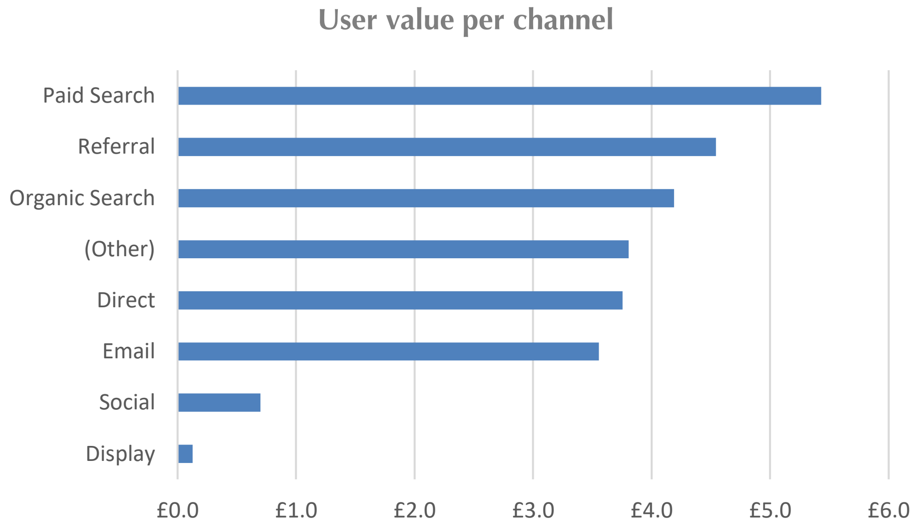
Rural properties therefore seem well-placed to cater towards a domestic travel boom in 2021 with city-based hoteliers likely requiring a more strategic approach to capture the market.

INSIGHTS & OPPORTUNITIES

BOOKING TRENDS

TRAFFIC & REVENUE SOURCES





To help marketers prioritise their activity in the months ahead, we evaluated the traffic sources for European hotel websites to determine which channels are driving the most commercial value. The results made for interesting reading.

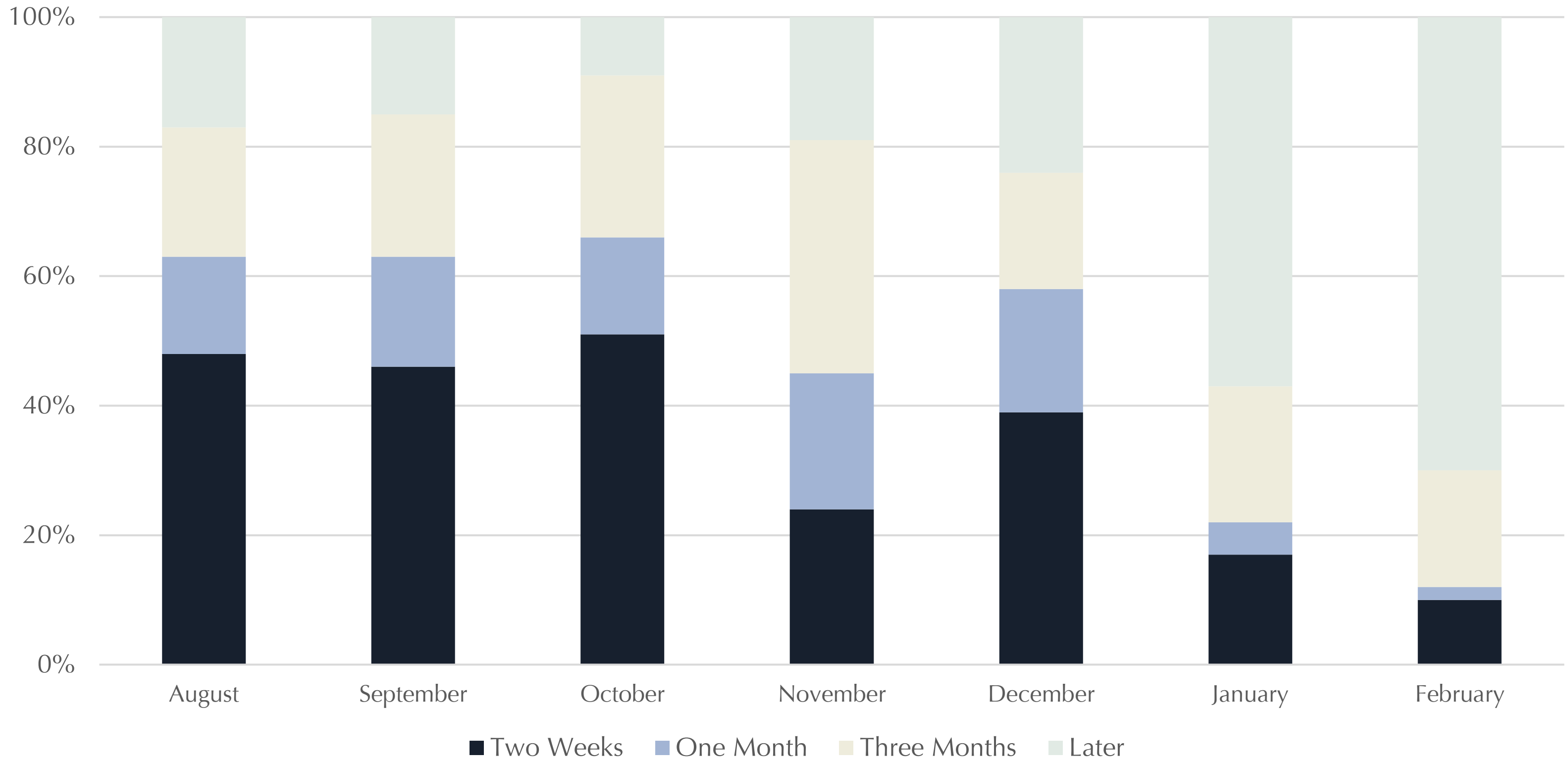
Organic search accounts for over a third of website traffic, highlighting the ongoing importance of **SEO (Search Engine Optimisation) as a key priority for hotel marketers**. Especially important is local SEO, with 'near me' searches now making up more than 50% of all Google searches.

When we evaluate the value of each user, i.e. what is each user worth in terms of £, we can see that Paid Search users are worth the most at around £5.50 per user, which is exactly what we would expect. This is highly relevant, targeted, traffic – **if paid search is not driving the most value, then it's absolutely worth reviewing your campaigns**.

BOOKING PATTERNS EMERGE

As we can see, when travel restrictions weren't so severe (i.e. August, September and October 2020) lead times were much shorter; over 60% of bookings were made for within 1 month. Once restrictions returned, lead times increased as you'd expect.

So far in 2021, while we're not seeing a high volume of bookings yet, those we are seeing are made for a longer lead time – partly by necessity (unable to travel now) but also with forward-planning for when restrictions are eased.



FEBRUARY BOOKINGS FOR FUTURE STAYS

So, for those booking in February 2021, when were they looking to stay? As the chart below illustrates, the most popular months appeared to be **May, June and July, with August** also featuring highly. October appeared to be a quieter month (at least in terms of bookings made in February) and some long-lead travel is already being planned for Christmas 2021 and the 2022 season. Of course this doesn't take into account bookings made in January, or prior, but does give an indication of people's travel planning for the next 6-9 months. A key takeaway from this data is to ensure that your website content and flexible seasonal packages are set up and live for the remainder of 2021 to capitalise.

WHAT IS BEING BOOKED
AND ON WHAT TERMS?

Between February 2020 and January 2021, our Insights team conducted an in-depth study of over 194,000 transactions (a total of £7.1m of revenue) across 4 and 5-star hotels within the UK. The study provided invaluable data on popular inclusions and favourable booking terms, some of which we share below.

Booking Inclusions:

- 17% of bookings were for 'room only' – 47% of London hotel rates were room only.
- 80% of bookings included breakfast – 90% of rural property rates included breakfast.
- 25% of bookings included dinner – 35% of rural property rates included dinner and just 2% for London properties.
- 12% of bookings included a drink – an especially good incentive for urban properties, where 25% of bookings included a drink.

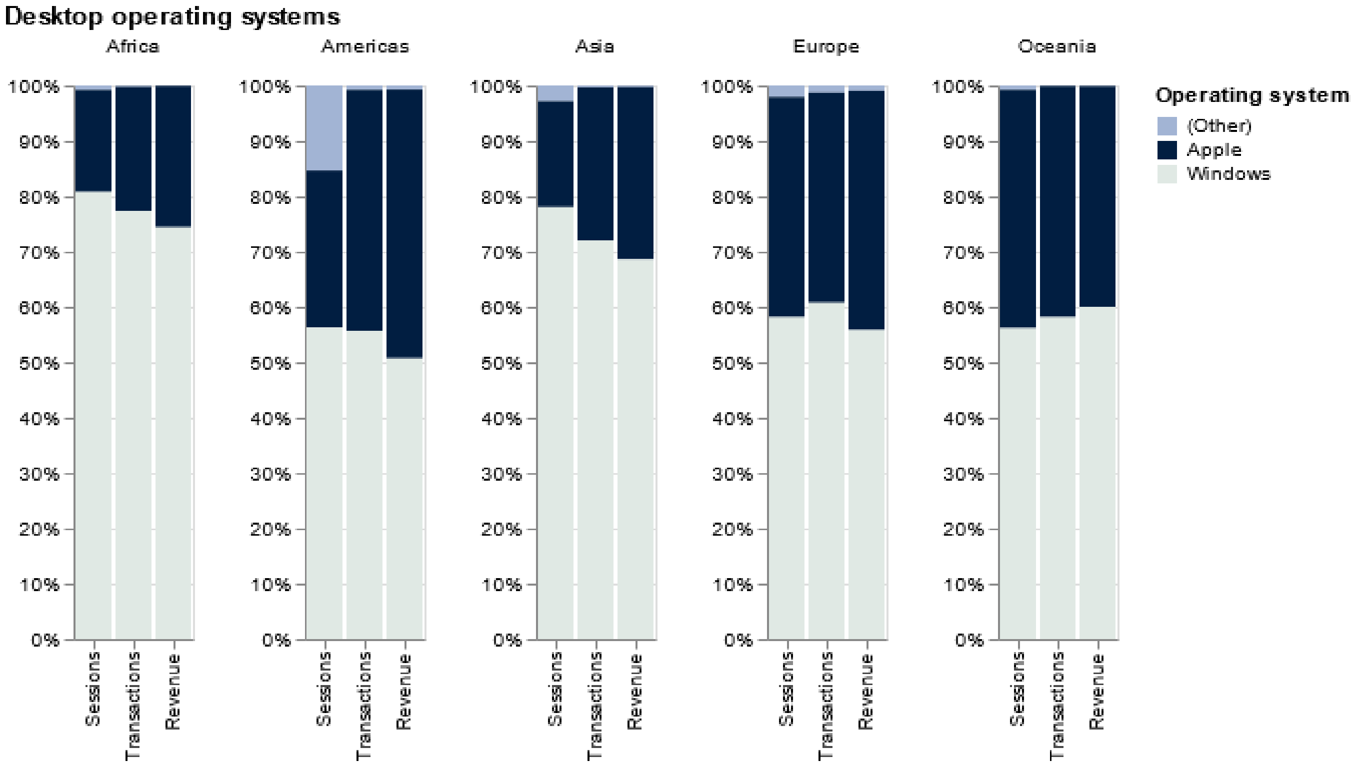
Booking Conditions:

- 49% of bookings allowed to Pay Later
- 72% of bookings allowed Date Changes
- 65% of bookings allowed Flexible Cancellation

OPERATING SYSTEMS

APPLE OUTPERFORMS MARKET SHARE…

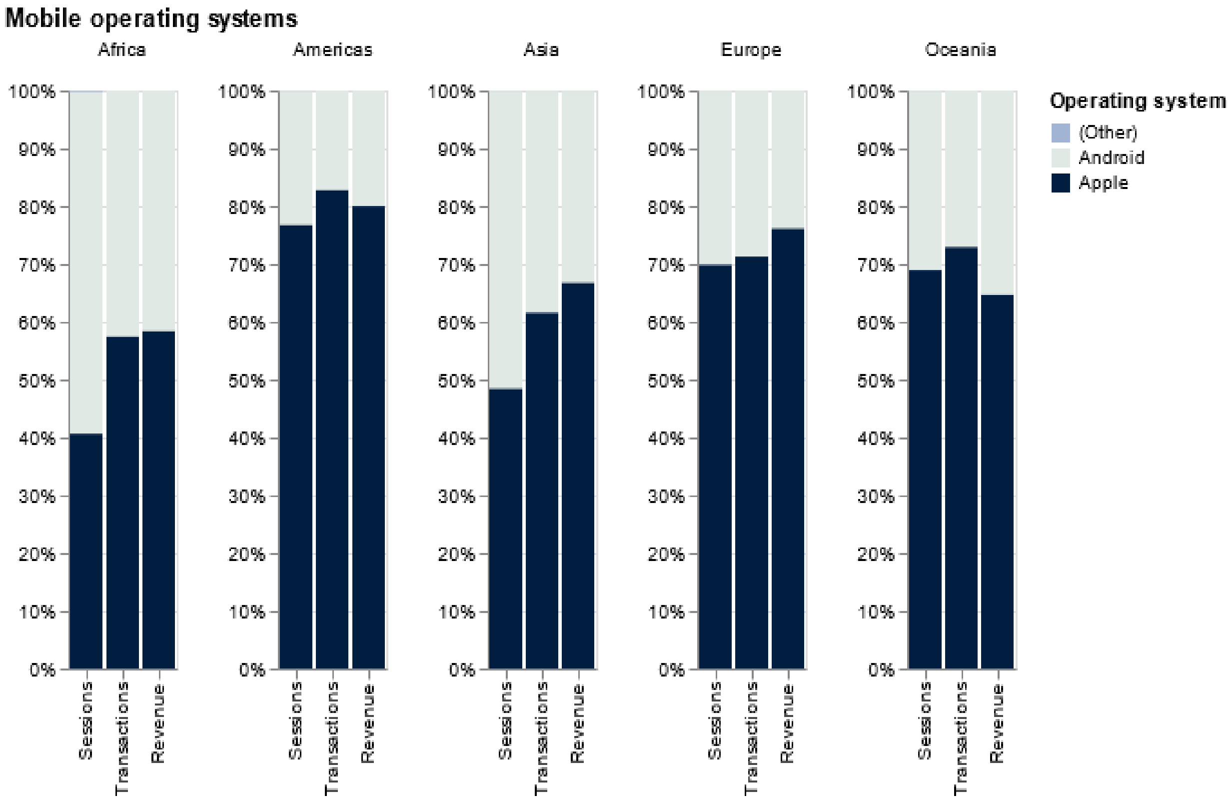
Delving more into user behaviour, we evaluated what desktop operating systems are being used to browse European hotel websites. In all markets Windows has dominance but what's particularly interesting is that despite Apple OS having just 17% of the marketplace worldwide (i.e. it's used on 17% of desktop/laptop devices), it's driving over 40% of online revenue within Europe and around 50% within the Americas. We begin to see a clear correlation between an Apple user and a buyer of luxury travel – worth considering when approaching audience targeting within your online advertising campaigns.



… AND THE TREND IS EVEN HIGHER ON MOBILE

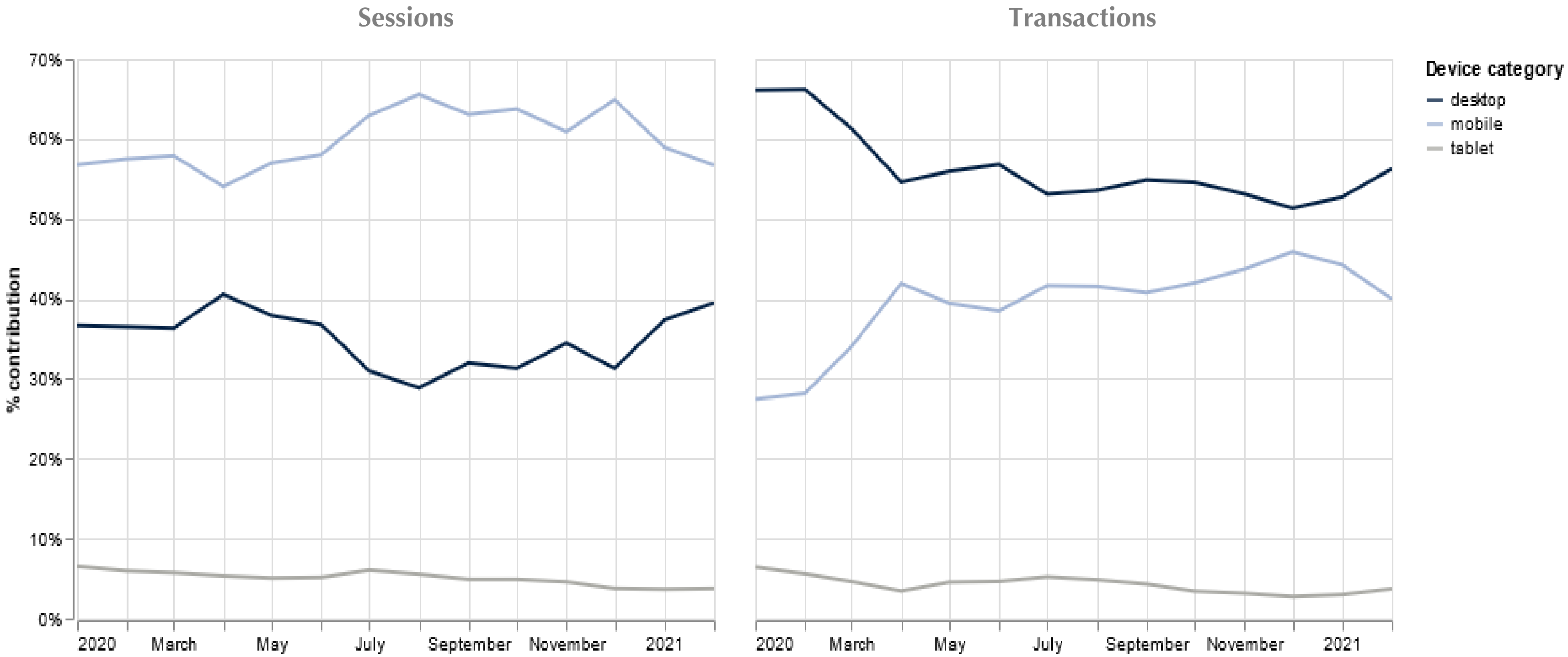
On mobile devices, the trend is even more pronounced. Apple has around a 27% share of the worldwide marketplace (i.e. iOS is used on 27% of devices), yet in all regions it accounts for far more in terms of traffic, transactions and revenue.

Within Europe it's driving around 70% of all mobile transactions, and 75% of revenue. Again, further rationale for experimenting with campaigns targeting iOS users who appear more likely to convert, as well as ensuring your website renders perfectly on mobile.

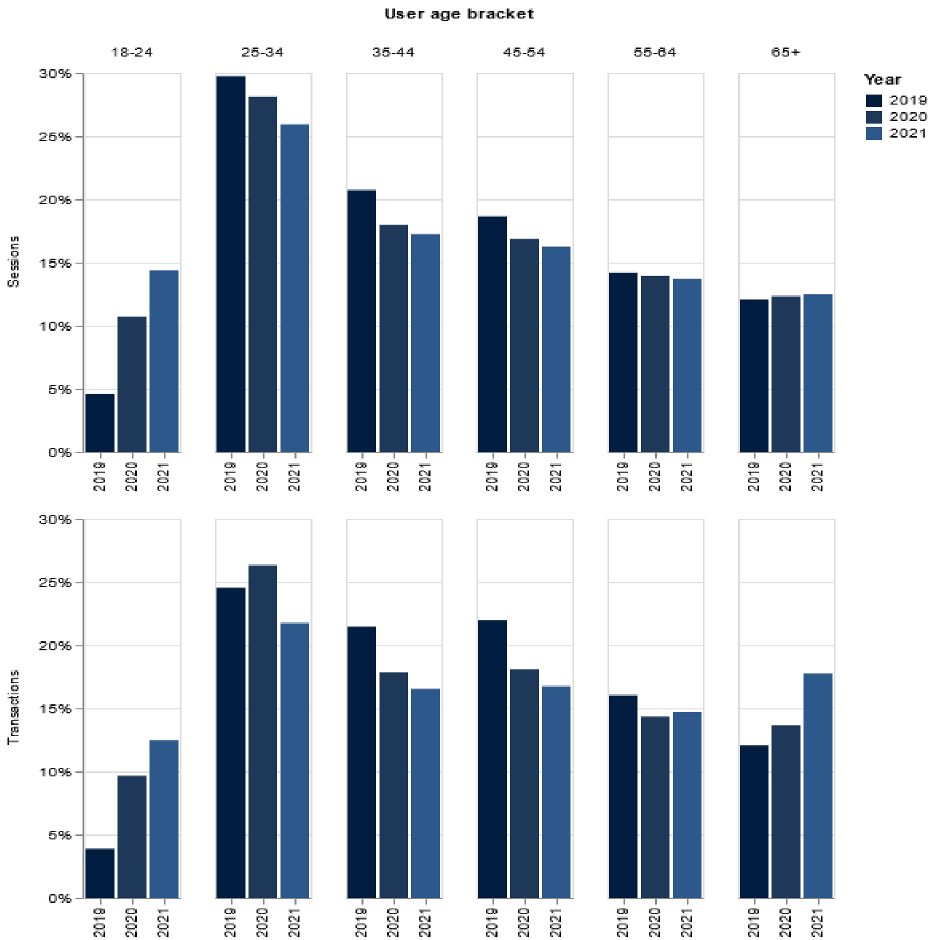


MOBILE BOOKINGS ACCELERATE DURING PANDEMIC

Mobile remains the primary source of traffic for European hotel websites, accounting for between 55% and 65% of all website sessions during 2020. Desktop traffic remained roughly stagnant while tablet traffic declined slightly. However, what's really interesting is that mobile transactions grew from around 27% of all transactions (pre-pandemic) to upward of 40% during the course of 2020. It would appear only a matter of time before mobile overtakes desktop as the primary source of bookings as well as traffic. Never has it been more important to take a 'mobile first' approach to your website and digital marketing strategy.



DOES AGE MATTER?

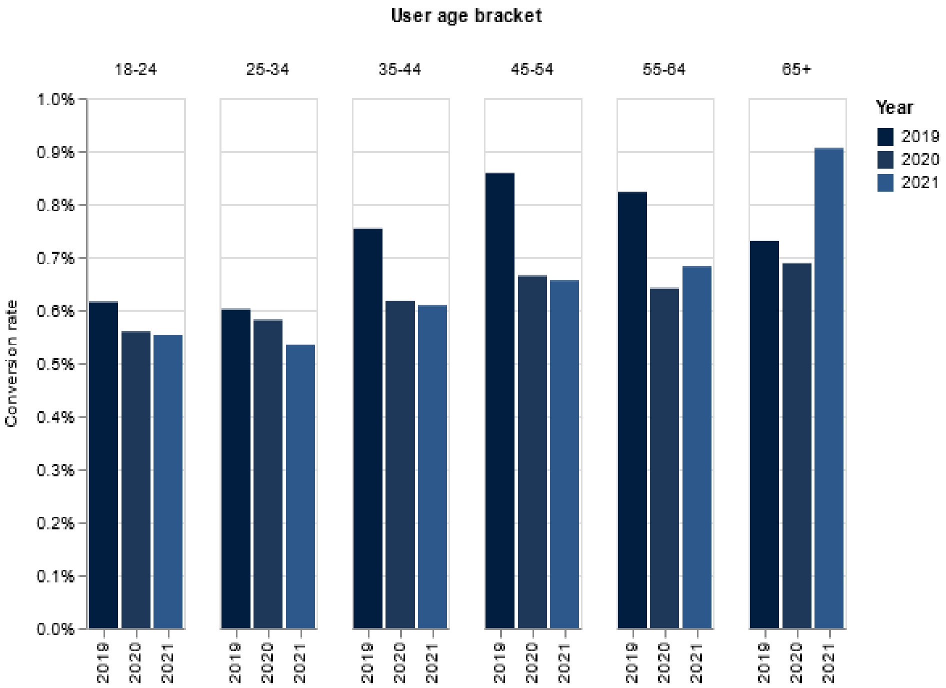


THE MATURE MARKET MATURES…

Many have hypothesized that certain age demographics will be more likely to book as travel begins to return. We wanted to test these theories with our own data, assessing traffic and booking patterns by age.

We've already established that session numbers have decreased in total, but are there any exceptions? The very youngest demographic, 18-24 and the 65+ group (to a lesser extent) do show signs of traffic growth, despite the pandemic.

Perhaps more significantly, both of these age groups show significant transaction growth, i.e. more people from these age groups are booking travel.



… AND CONVERTS AT RECORD LEVELS

The 65+ demographic is also the single highest converting in 2021 to date at just over 0.9%, with the next highest being 55-64 at just under 0.7%. The 65+ market is even converting higher than the top-performing demographic in 2019 (45-54 years old at around 0.86%).

One could infer a connection between these audiences being the first to receive the Coronavirus vaccine and having more confidence in being the first to resume travel.

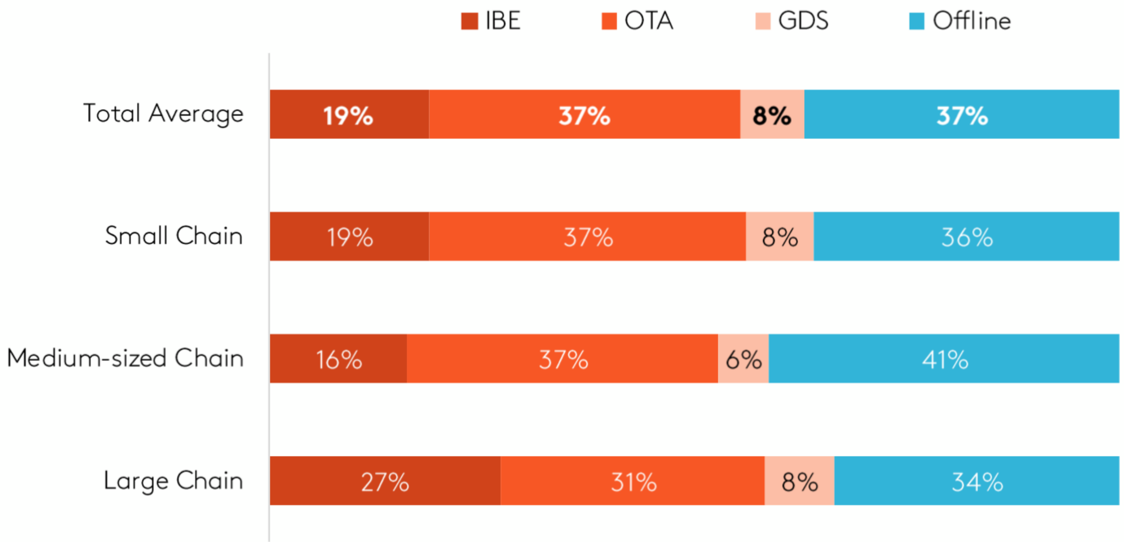
The booking behaviours of the 65+ demographic have emerged quite recently but appear to be accelerating, representing a potentially fantastic opportunity for hoteliers to refine their advertising targeting as well as creating targeted offers and campaigns for this audience.

A SHIFT TO BOOK DIRECT?

A SHIFT TO BOOK DIRECT

One positive trend to emerge during the pandemic has been a distribution shift for independent hotels – gaining ground in attracting more direct bookings. We believe that this shift is primarily down to two reasons; OTAs not bidding so aggressively on hotel brand names in paid search and consumers tending to put more trust into a hotel's official site rather than booking via a 3rd party, when it comes to cancellation in unforeseen circumstances.

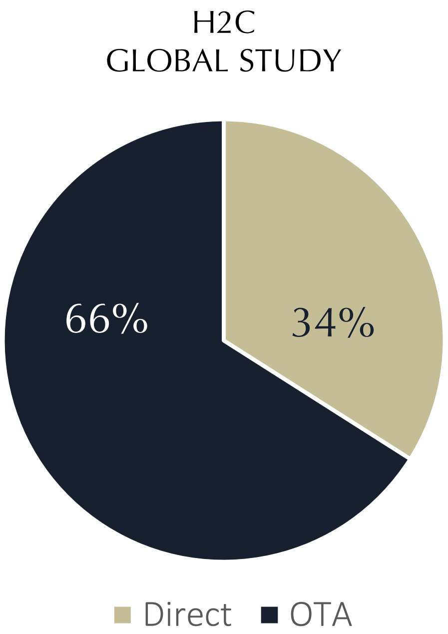
Our friends at h2c evaluated channel share as a percentage of total rooms revenue in 2019;

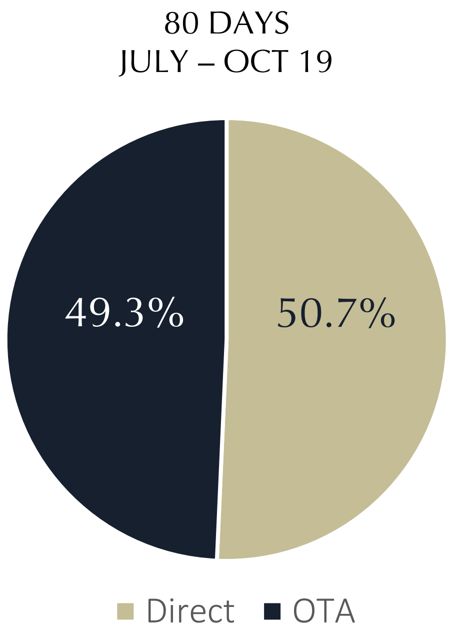


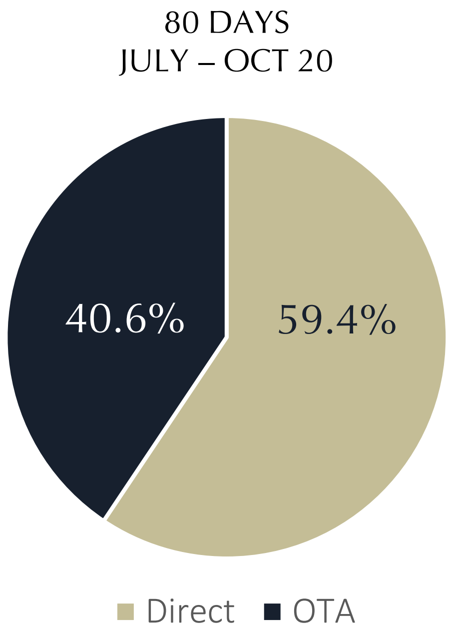
***Source**: H2C Global Metasearch and IBE study 2020, 76 Hotel Chains, 9,575 properties.*

A SHIFT TO BOOK DIRECT

Summarising the H2C study we see that globally, for a dataset comprised mainly of hotel groups, OTAs accounted for 66% of all bookings. When compared to our own data from November 2020, where we evaluated a dataset of high-end independent hotels, we can see that the pandemic has resulted in direct bookings having grown by 17% (50.7% growing to 59.4%). This is a significant shift and one to capitalise upon through clear conveyance of book direct benefits across all your marketing activity.







***Sources**:*

H2C Global Metasearch and IBE study 2020: 76 Hotel Chains, 9575 properties.

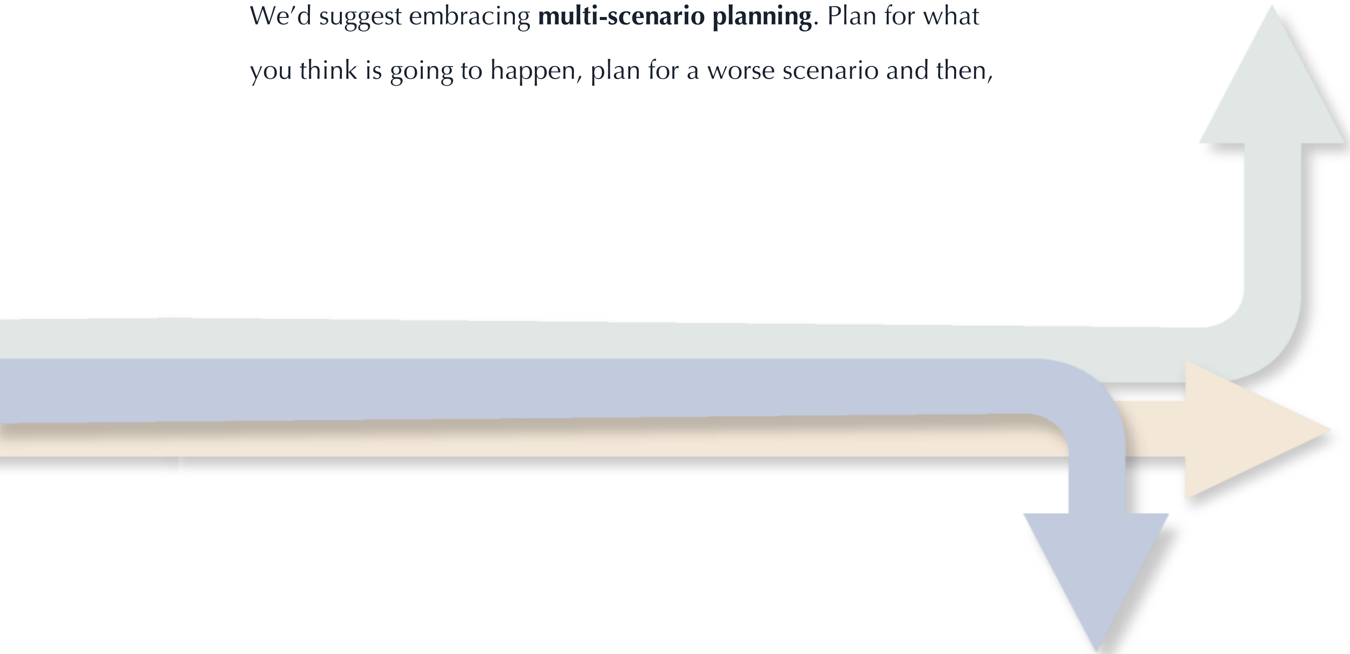
80 DAYS 2020 client survey: 62 European, 4 & 5 Star properties.

WHAT DOES THIS MEAN FOR YOU?

1. Agility

It's perhaps a little obvious, but what we've noticed is that the hotels that have performed the best and have recovered quickest during the many ups and downs of the last 12 months are those who have acted most swiftly. But how do you do that?

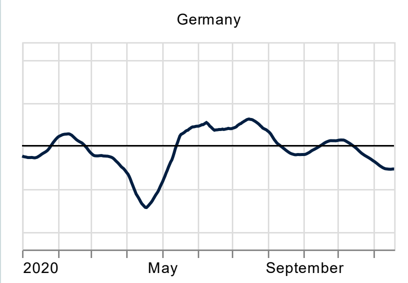
We'd suggest embracing **multi-scenario planning**. Plan for what you think is going to happen, plan for a worse scenario and then, perhaps most importantly, plan for a scenario where things are better than expected. Not being in a position to capitalise upon a market upturn can be equally as damaging as not being prepared to react to temporary travel restrictions.

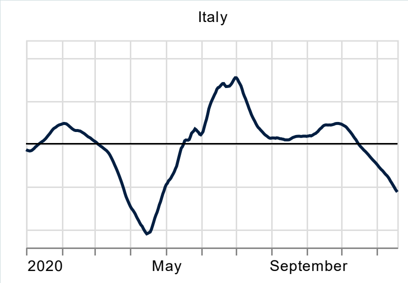


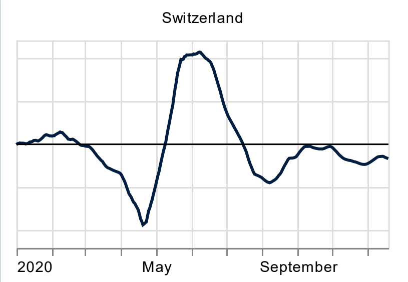
2. Relevant Data

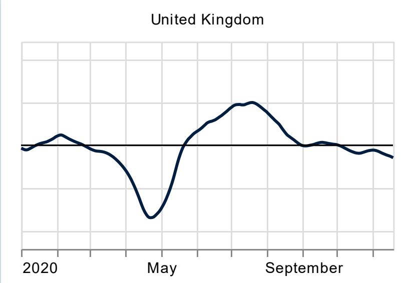
The volume of data that the pandemic is generating is fascinating but can quickly become overwhelming. It's absolutely vital to drill down into what is relevant to you and your hotel(s) to accurately inform your marketing strategy.

As these four examples here show – even though we're looking at the same timeframe, individual markets have performed very differently during the last 12 months. We'd strongly encourage you to source relevant data for your market at a more granular level and of course if we can help, through Hotel Benchmark, we will.









3. Safety

96% of travellers said cleanliness & hygiene measures were *important or vital* when booking a trip.

Safety is clearly paramount in a post-COVID return to travel. However, while safety is an essential requirement, it is not your product. You are selling an experience and your website and marketing messaging must convey that.

Having said that, ensure you;

- Communicate your safety measures
- Convey the benefits you provide
- Support this with honest customer reviews

4. Inspire

70% of travellers want inspiration from an accommodation website.

Arguably one of the most important aspects of your marketing strategy moving forward; you are going to need to inspire people.

Of course, you need to include all the relevant information on safety, prices, opening hours etc, but it will be key to ensure that your marketing communications inspire, not just inform.



5. Relevant Message

We're privileged to work with the Mauritius Tourist Board and have been tasked with helping relaunch and promote the island nation back into Europe and the UK when travel restrictions are eased.

Our starting point was to look at the marketing materials already in existence and some of the image library is shown here. While they're fantastic shots, they're embracing and celebrating crowds coming together, not particularly relevant for the immediate future.

Space, solitude, getting away from it all – these are the messages we need to convey in the shorter term. Your marketing must remain relevant, regardless of the situation. Examples of this are shown here.


6. Positioning

Your brand positioning centres around how someone perceives your hotel(s), relative to your competitors. Crystal clear brand positioning has always been vital, but never more so than now.

You can start to evaluate your positioning by addressing your;

- **Product** - you are selling an experience. But are your guests now looking for a different type of experience?

- **Market** – who are your customers now? With changes in many people's lifestyle and travel activity many hotels are finding their target markets have changed. Review your target audience to ensure they are still relevant.

- **Points of difference** - Messages of discounted rates, escape-it-all and hygiene benefits are rife, and while you may need to employ some of these techniques, it is crystal clear brand positioning that will make you stand out from the masses.

7. Targeting

One size does not fit all. User behaviour can vary quite significantly dependent on country of origin, age, when they're coming to stay etc. As we've seen, the 65+ demographic in particular appears to be a potentially interesting one for hoteliers in the coming months.

To make the most effective use of your marketing budget, it's absolutely vital to use the tracking and tools at your disposal to inform your targeting and overall strategy.

8. Mobile

As already highlighted within this report, mobile usage and transacting is on the rise and appears to have accelerated during the course of the pandemic.

Now is the time to;

- Optimise your mobile browsing and booking experience
- Refine your mobile search presence – do you appear for local 'near me' searches?
- Consider targeted campaigns for iOS users

9. Support Direct

During the pandemic we've observed a 17% gain in direct bookings for independent hotels

For the first time in 20 years, we're seeing users return to the book direct channel of their own accord. Give them every reason to book direct by clearly conveying any book direct benefits on your website and marketing messaging.

Engage and retain these guests to capitalise on this distribution shift and invest in your direct channels to maintain the momentum through 2021 and beyond.

10. Engage

Perhaps the most obvious point of all, but don’t stop engaging with your customers. It works.

- During Spring 2020 the average traffic to accommodation websites **dropped by 84%.**
- Those who continued to engage with their customers experienced **decreases in traffic of approximately 55%**.
- In instances where ‘high levels’ of proactivity have taken place traffic **decreases have been closer to 40%**.

80 DAYS is a premium hotel and travel marketing agency working in partnership with over 450 of the World's most respected hotel and travel businesses.

Since being founded in 2001 the company has grown to a team of 50. Throughout this time, we have provided the highest levels of expertise and insight to drive revenue through our clients' websites. All of this is delivered with a focus on high quality service.

For further information and regular updates please visit eighty-days.com/insights

To benchmark your hotel's website against the industry visit hotelbenchmarking.com

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