Friends-Brands-Trends:

The Globalized Consumer and his Interaction with tourism destinations

Cees Bosselaar
Director, Business Development and Destination Marketing Specialist
2009: We Can’t
2010: We Shouldn’t
2011: We’re Outta Here!
Tapping New Travelers
Global Opportunities Matrix

Online Travel Penetration vs. Annual Growth Online Sales

Source: PhoCusWright’s Global Online Travel Overview Second Edition

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Global Opportunities Matrix

Source: PhoCusWright’s Global Online Travel Overview Second Edition

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Global Opportunities Matrix

Online Travel Penetration

Annual Growth Online Sales

Source: PhoCusWright's Global Online Travel Overview Second Edition

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Global Opportunities Matrix

Online Travel Penetration

Lower

Higher

Annual Growth Online Sales

Source: PhoCusWright’s Global Online Travel Overview Second Edition

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Online Leisure/Unmanaged Business Travel Penetration by Market, 1992

Note: 2010-2012 projected.
Online Leisure/Unmanaged Business Travel Penetration by Market, 2012

Note: 2010-2012 projected.
Online Travel Penetration* of the Total Travel Market, Global Markets, 2008-2012

*Leisure/unmanaged business travel websites as a percent of the total travel market.
Source: PhoCusWright’s U.S. Online Travel Overview Tenth Edition; PhoCusWright’s Asia Pacific Online Travel Overview Fourth Edition; PhoCusWright’s Latin American Online Travel Overview
Four Regions: Total and Online Leisure/Unmanaged Business Travel Gross Bookings and Online Penetration, 2009-2012 (US$B)

<table>
<thead>
<tr>
<th>Year</th>
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<th>Other Channels</th>
<th>Total Gross Bookings</th>
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<td>2009</td>
<td>227</td>
<td>577</td>
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<tr>
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Source: PhoCusWright’s Global Online Travel Overview, Second Edition
The European Online Leisure/Unmanaged Business Travel Market, Gross Bookings, Online Growth, and as a Percentage of Total Travel Market, 2008-2012 (€B)

- **2008**: Online Leisure/Unmanaged 65.3%, Total Bookings 240.8 €B (27%)
- **2009**: Online Leisure/Unmanaged 66.4%, Total Bookings 215.0 €B (31%)
- **2010**: Online Leisure/Unmanaged 73.4%, Total Bookings 220.1 €B (33%)
- **2011**: Online Leisure/Unmanaged 80.4%, Total Bookings 228.0 €B (35%)
- **2012**: Online Leisure/Unmanaged 86.7%, Total Bookings 239.0 €B (36%)

Source: PhoCusWright's European Online Travel Overview, 6th edition
The European Online Leisure/Unmanaged Business Travel Market, Gross Bookings, Online Growth, and as a Percentage of Total Travel Market, 2008-2012 (€B)

- **2008**: 65.3, Online Leisure/Unmanaged: 27%
- **2009**: 66.4, Online Leisure/Unmanaged: 31%
- **2010**: 73.4, Online Leisure/Unmanaged: 33%
- **2011**: 80.4, Online Leisure/Unmanaged: 35%
- **2012**: 86.7, Online Leisure/Unmanaged: 36%

Source: PhoCusWright’s European Online Travel Overview, 6th edition

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European Online Leisure/Unmanaged Business Travel Market, OTA and Supplier Website Gross Bookings by Segment (€M)

Note: 2011-2013 projected.
Source: PhoCusWright’s European Online Travel Overview Seventh Edition
Top Five Pan-European Online Travel Agencies, Share Among These Agencies, 2010 and 2011

**2010**
- Expedia Europe: 30%
- Opodo: 10%
- Travelocity Europe: 10%
- Priceline Europe: 10%
- Orbitz WW Europe: 9%

**2011**
- Expedia Europe: 28%
- Opodo: 9%
- Travelocity Europe: 8%
- Priceline Europe: 8%
- Orbitz WW Europe: 47%

Note: 2011 projected; totals may not add to 100% due to rounding.
Source: PhoCusWright’s European Online Travel Overview Seventh Edition
Destination Marketing
Figure 14:
Information Sources Used for Destination Selection Phase

Question: What sources of information did you use to help you select the destination(s) for this trip? Select all that apply. What type(s) of websites did you use? Select all that apply.

Base: U.S. travelers (N=1,567), French travelers (N=660), German travelers (N=665), U.K. travelers (N=681)

Sources: U.S. data from PhoCusWright’s Consumer Travel Report Second Edition; European data from PhoCusWright’s European Consumer Travel Report

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Base: Online destination selectors (U.S. travelers N=1,567, French travelers N=318, German travelers N=283, U.K. travelers N=330)

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Figure 15:
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- Destination websites
- Travel provider websites
- Travel search engines
- Traveler review websites
- Travel guide websites
- Deals newsletters/websites
- Magazine/newspaper websites
- Social networking websites
- Other

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At 23, Mark Zuckerberg has already changed the way millions of us connect. Now he’s facing a new challenge: how to turn an online obsession into a fixture of the digital age. By Steven Levy
<table>
<thead>
<tr>
<th>USA</th>
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<td><img src="image" alt="tudou" /></td>
</tr>
</tbody>
</table>
Activities Conducted Through Online Social Networks

- Share updates/pictures/videos about my travel experiences
- Get recommendations from friends about local activities
- Get destination advice from friends
- Keep up with friends' travel itineraries and/or share mine
- Plan trips collaboratively with my friends/family
- Search for travel reviews written by people like me
- Browse/search for travel deals from companies
- Get advice from friends about which travel products to purchase
- Keep up with announcements from travel companies
- Book travel
- I have no interest in using online social networks for travel

Question: Please select the travel-related activities you do or are interested in doing through an online social network. Select all that apply.
Base: Social network users: French travelers (N=504), German travelers (N=527), U.K. travelers (N=504)
Source: PhoCusWright’s European Consumer Travel Report Second Edition
Influence of Social Media Channels on Purchasing Decisions

- **Traveler reviews on online travel agency websites, such as Expedia**
  - Very influential: 26%
  - Somewhat influential: 45%
  - Not at all influential: 29%

- **Traveler review websites, such as TripAdvisor**
  - Very influential: 22%
  - Somewhat influential: 42%
  - Not at all influential: 36%

- **Online reviews from travel professionals**
  - Very influential: 16%
  - Somewhat influential: 44%
  - Not at all influential: 40%

- **Comments from people in my online social network, such as Facebook or Twitter**
  - Very influential: 14%
  - Somewhat influential: 34%
  - Not at all influential: 52%

- **Travel blogs or online travel forums**
  - Very influential: 12%
  - Somewhat influential: 34%
  - Not at all influential: 53%

- **Company information/promotions on an online social network, such as Facebook or Twitter**
  - Very influential: 9%
  - Somewhat influential: 31%
  - Not at all influential: 61%

Question: How influential have each of the following features been to you when making travel purchasing decisions in the past 12 months? Select one for each option.
Base: U.S. online travelers (N=1,948)
Note: Totals may not add to 100% due to rounding
Source: PhoCusWright’s Traveler Technology Survey 2011
Virgin America

@VirginAmerica

Although we won’t address specific guest service issues on Twitter, our team of experts is eager to help you at http://www.virginamerica.com/ContactUs or call 1-877-552-6474.

Stay in touch with Virgin America

Join Twitter today

Full name

Email

Password

Sign up

Tweets

Virgin America @VirginAmerica

@JennyTester: So very sorry to hear that! We usually try to accommodate families in the same row if space allows.

+ In reply to Jenny Tester

Virgin America @VirginAmerica

@MrChase: Here’s a little taste of what you could experience if you choose us: vgn.am/8O1v93C

+ In reply to Zac Chase

Virgin America @VirginAmerica

Yesterday our teammates got down and dirty with @CAsiteParks. Check out the pics: vgn.am/601v3C0 #EarthDay

Virgin America @VirginAmerica

@MarbleMatlin: Have a wonderful flight!

+ In reply to Marble Matlin

Virgin America @VirginAmerica

@EvilWriterMusic: Glad to hear it! Here’s a little of what you can expect: vgn.am/601v3Tq #firsttime
Social Media

• 550 million people accessed social media through their mobile in 2011

• 1.7 billion by the end of 2016 (ABI Research): Two thirds of the global user base of social networks are using smartphones and other mobile handsets to access these networks

• Social media is affecting every step of the travel process

• It is critical that all travel companies react in real time to social media complaints and requests
- Devices are becoming more powerful, with tablets increasing in popularity worldwide.
- Lower-cost tablets arriving from Amazon.com and India will significantly increase penetration of these devices on a global basis.
- Networks increase broadband.
- Smartphones increase the ability to sense the environment.

Devices Are Becoming Faster and More Portable.
Mobile Users > Desktop Internet Users
Within 5 Years


Source: Morgan Stanley Research
“The PC Era is done.”
We Are at the Beginning of the Tablet Revolution

Global tablet sales will reach >200 million worldwide by 2015, with major growth in Asia Pacific and EMEA.

Source: Yankee Group
“Mobile” is not a trend.
Note to self: accelerate mobile strategy... don’t just repurpose our website
What are the take aways:.....

1.
2.
3.
4.
5.
Thank you!

Cees Bosselaar
cbosselaar@phocuswright.com
Figure 18: “Very Influential” Online Features for Leisure Travel Planning

**Social Media**
- Traveler reviews on online travel agency websites (such as Expedia)
- Traveler review websites (such as TripAdvisor)
- Comments on an online social network from people you know
- Travel blogs or online travel diaries
- Comments on an online social network from people you do not know
- Interactive maps that display lodging and attractions

**Features**
- Online travel reviews from travel professionals
- Traveler-generated online photography/virtual tours
- Professional online photography/virtual tours
- Professional online travel video
- Traveler-generated online travel video

**Question:** Please indicate how influential each online feature has been to you when planning leisure travel over the past 12 months. Select one response for each feature.

**Base:** U.S. travelers who typically use websites to plan travel (N=2,558), French travelers (N=815), German travelers (N=802), U.K. travelers (N=788)

**Source:** PhoCusWright’s European Consumer Travel Report
Key European Travel Markets, Total Market and Online Leisure/Unmanaged Business, Gross Bookings (€B) and Share, 2010

USA: Total Market 255.0, Online Leisure and Unmanaged Business 47.0
United Kingdom: Total Market 47.0, Online Leisure and Unmanaged Business 22.0
Brazil: Total Market 23.0, Online Leisure and Unmanaged Business 3.5
Russia: Total Market 43.0, Online Leisure and Unmanaged Business 3.0
India: Total Market 16.0, Online Leisure and Unmanaged Business 3.3
China: Total Market 58.0, Online Leisure and Unmanaged Business 3.8

Source: PhoCusWright’s European Online Travel Overview Seventh Edition
### Resident Trips Abroad (millions)

<table>
<thead>
<tr>
<th>Region</th>
<th>2010 Estimate</th>
<th>2020 Forecast</th>
<th>10-Year Growth Rate (%pa)</th>
<th>Global Share in 2010 (%)</th>
<th>Global Share in 2020 (%)</th>
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<th>2020 Forecast</th>
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<th>Global Share in 2020 (%)</th>
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<td>2.3</td>
</tr>
</tbody>
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* Mexico included in North America

**Including China and India

Source: Oxford Economics and Airbus

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