

The 2019 European Report on Travel Advertising

State of the Industry Perspectives
from Travel Marketers





The digital advertising ecosystem grows increasingly complex for travel marketers.

To understand more about the state of the industry, Sojern surveyed more than 600 travel marketers who lead travel marketing in 46 countries around the world—resulting in the most comprehensive research project of travel marketers ever completed, *State of the Industry: The 2019 Report on Travel Advertising*. In this report we focus on the travel marketers leading the European region, which is the world’s number one tourist destination, with 712 million international arrivals in 2018 and more than 50% of the market share of worldwide tourism.¹

For the European economy alone, travel and tourism directly contributed an estimated 782 billion euros to GDP in 2018 and 14.4 million jobs through direct employment in the sector.² Strong air connectivity, significant promotional activities, and demand from Europe’s largest long-haul source markets have all played a key part in delivering this growth. The region encompasses 44 countries, over 24 officially recognised languages, and three standard time zones. While we see many similar trends across the region, there

are also vast differences which can add further complexity for travel marketers. With the uncertainty surrounding Brexit, travel brands need to be more cognitive of what travellers are looking for in their next trip, as well as reassuring travellers across the globe that despite growing concerns, now is still the time to plan exciting trips to Europe. And travel marketers are increasingly turning to digital forms of advertising to inspire these global travellers. In this regional report we examine how European travel marketers are allocating advertising budgets across channels, what they find most challenging, and technologies that may impact the future of marketing.

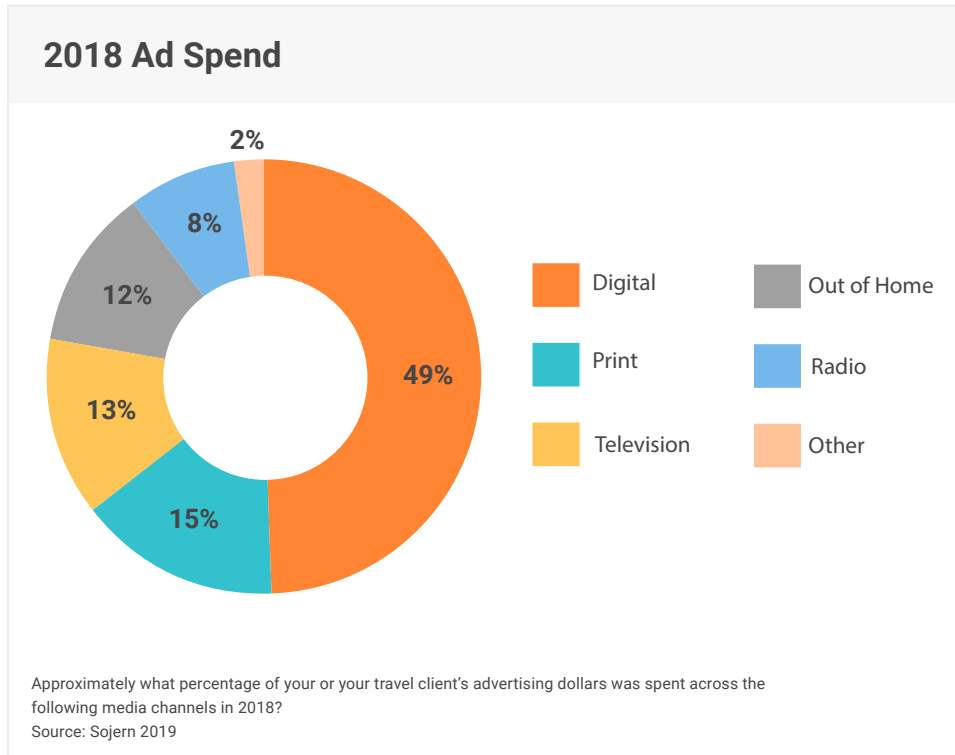
“You must shift your mind from airing your campaigns and waiting for your audiences to chase you. It’s really important to find your audience and then be there, where they’re most interested and engaged.”



Lilian Moschidou
Marketing Director

¹ European Tourism Association, 2019
² Statista, 2018

The State of Travel Advertising Spend in Europe



Digital advertising represents the largest portion of ad spend for European travel marketers in 2018 at 49%. The region had the lowest spend globally on digital as a percentage of spend, alongside LATAM. Asia Pacific came out on top at 52%, followed closely by the United States and the Middle East.

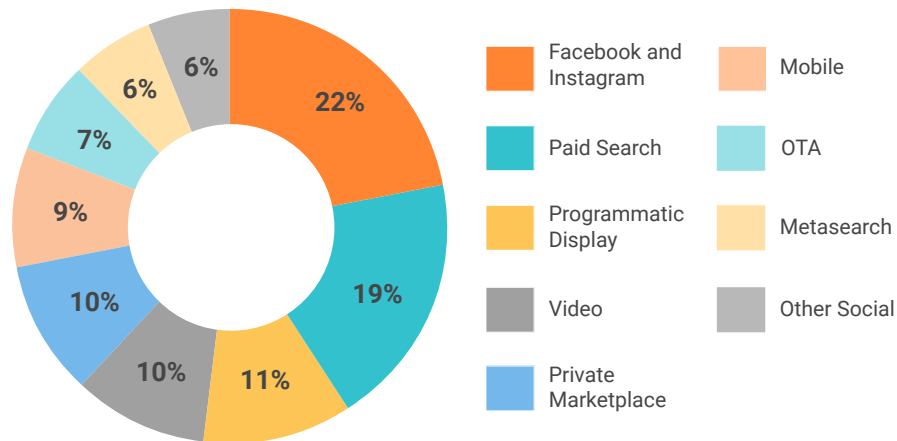
Percentage who Plan on Increasing Ad Spend in 2019

	Digital	Television	Out of Home	Other	Print	Radio
UK	66%	44%	41%	38%	35%	32%
France	73%	45%	42%	50%	32%	21%
Germany	66%	45%	38%	38%	32%	21%
Spain	75%	39%	38%	44%	32%	23%
Italy	67%	38%	41%	50%	32%	22%
Ireland	66%	35%	42%	43%	29%	26%

How do you anticipate your ad dollars will be allocated in 2019 across the following media?
Source: Sojern 2019

However, in 2019, Europe remains among the top regions when it comes to increasing digital spend, with 66% of travel marketers planning to do so, a higher percentage than the Middle East and the United States. In fact, almost three quarters of travel marketers from European countries such as France and Spain plan to dedicate more ad budget towards digital this year.

Digital Ad Spend, By Digital Channel



Approximately what percentage of your digital or your travel client's digital advertising spend was spent across the following types of advertising in 2018?

Source: Sojern 2019

In 2018, social media spend represented the largest portion (28%) of digital spend, with 22% allocated to Facebook and Instagram and 6% to other social channels. There's no sign of ad spend slowing down on Facebook and Instagram this year, with over half of all European travel marketers planning to shift more ad budget in this direction. More travel marketers in France (69%) intend to increase spending on Facebook and Instagram this year than any other European country.

European travel marketers were higher spenders on social media than other regions, including Asia Pacific (24%) and the Middle East (22%)

Percentage who Plan on Increasing Digital Ad Spend in 2019

	Facebook and Instagram	Video	Paid Search	Mobile	Other Social	Programmatic Display	Private Marketplace	Metasearch	OTA
UK	55%	54%	49%	47%	45%	42%	38%	37%	27%
France	69%	54%	52%	46%	42%	42%	41%	46%	28%
Germany	65%	54%	49%	48%	37%	39%	34%	39%	29%
Spain	64%	53%	51%	58%	48%	45%	39%	37%	25%
Italy	60%	49%	47%	48%	40%	36%	37%	32%	16%
Ireland	63%	57%	44%	52%	62%	41%	39%	44%	14%

How do you anticipate your ad dollars will be allocated in 2019 across the following types of advertising? (Plan on spending more)

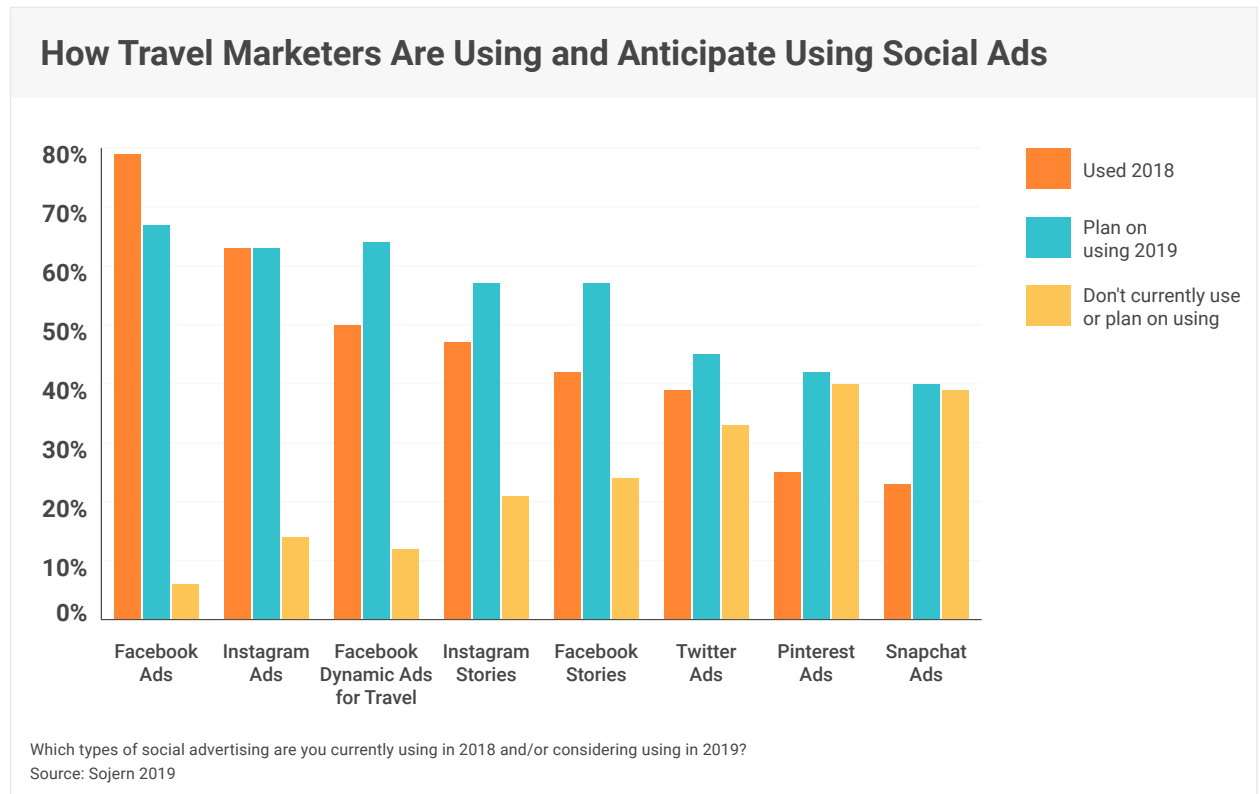
Source: Sojern 2019

Successful Digital Advertising Channels in Europe

The product that will see the most growth this year is the Stories format. The Stories format is proving increasingly popular with consumers, and the travel marketers trying to reach them. As an upper funnel advertising format, Stories offer more information in a visual format at a faster rate, accounting for consumers' rapidly shrinking attention spans. Roughly half of Instagram's 1 billion users now use Instagram Stories every day, and over 2 million advertisers are now buying Stories ads across Facebook's platforms.³ Over half (57%) of all European travel marketers intend to advertise on Facebook and Instagram Stories in 2019.

Spanish travel marketers are ahead of the curve as 50% responded that they already used Instagram Stories in 2018, (global average was 44%) and 60% intend to use this format in 2019. UK and German travel marketers were not far behind with 49% having utilised Instagram Stories last year and both intending to increase their focus on the format this year. Not surprisingly, these countries all have significant Instagram user bases, with 22.4 million users in the UK, 19 million users in Germany, and 14.9 million users in Spain.⁴ In fact, as of April 2019, Russia, Turkey, and the United Kingdom were all ranked among the top worldwide countries with the most Instagram users.⁵

German travel marketers showed the most planned growth around Facebook Stories rising from only 40% having used the format in 2018 to 57% planning to use it this year. We see similar high growth from Italy and France who both intend to spend more (56%) on Facebook Stories in 2019.



Worth noting, all respondents were asked the same questions, regardless of region.

³ TechCrunch, 2019

⁴ NapoleonCat

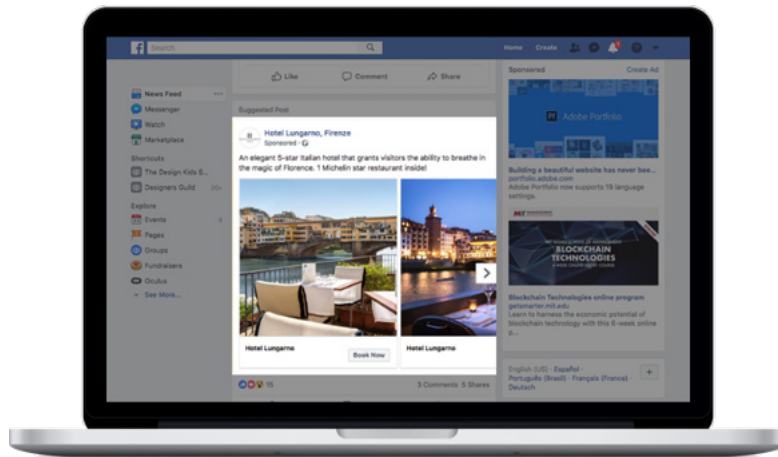
⁵ Statista, 2019

Targeting travellers across the path to purchase with a multi-channel approach.



The Lungarno Collection and Sojern have successfully partnered since November 2017, with Sojern running online display advertising for their properties. In May 2018, the partnership grew to include advertising on Facebook and Instagram, for a multi-channel online marketing strategy. While Italy is a destination for millions of travellers each year, the hospitality market itself is fairly new to digital marketing. Many independent chains don't have the marketing budgets of a global hospitality brand, which is often required to implement an online marketing strategy.

Sojern works with hotels of all sizes and marketing budgets to give them marketing solutions that drive direct bookings. For the Lungarno Collection, Sojern found people who were searching to travel to Rome or Florence, and showed them Lungarno's engaging ads. This inspired travellers to visit the website to learn more, and eventually, book with Lungarno directly. In 12 months, Sojern delivered over €881K in direct booking revenue for the Lungarno Collection. Of that, €130,991 came from Facebook and Instagram in only five months—proving the value of a multi-channel approach.



Facebook Ad Example on Desktop



With more than 2.7 billion monthly users across the Facebook family of apps:⁶ Facebook, Instagram, Messenger, and WhatsApp, Facebook and Instagram ads continue to be of great interest to travel marketers in 2019. Facebook Travel Ads, formally known as Facebook Dynamic Ads for Travel (DAT), are also showing an uptick in interest this year from travel marketers.*

Facebook Travel Ads is an advertising format that enables travel advertisers to automatically retarget Facebook users who have shown interest in a trip. It is built to engage with travellers lower in the funnel to ultimately drive bookings with highly personalised ads and creatives. Brands can be certain that their target audience is on Facebook nearly every day. We know that travellers are spending their time on Facebook's family of apps—5x more than on travel-related apps, sites and searches, to be exact.⁷

“We have definitely put more resources and funds into social media—Facebook and Instagram specifically, and we intend to use it even more in 2019. People travel because they want to have experiences. It is a social, visual, experiential undertaking, and social media really fits that.”

**THIS IS
ATHENS!**

Lilian Moschidou
Marketing Director

* At the time of this survey, Facebook Dynamic Ads for Travel was the term used.

⁶ TechCrunch, 2019

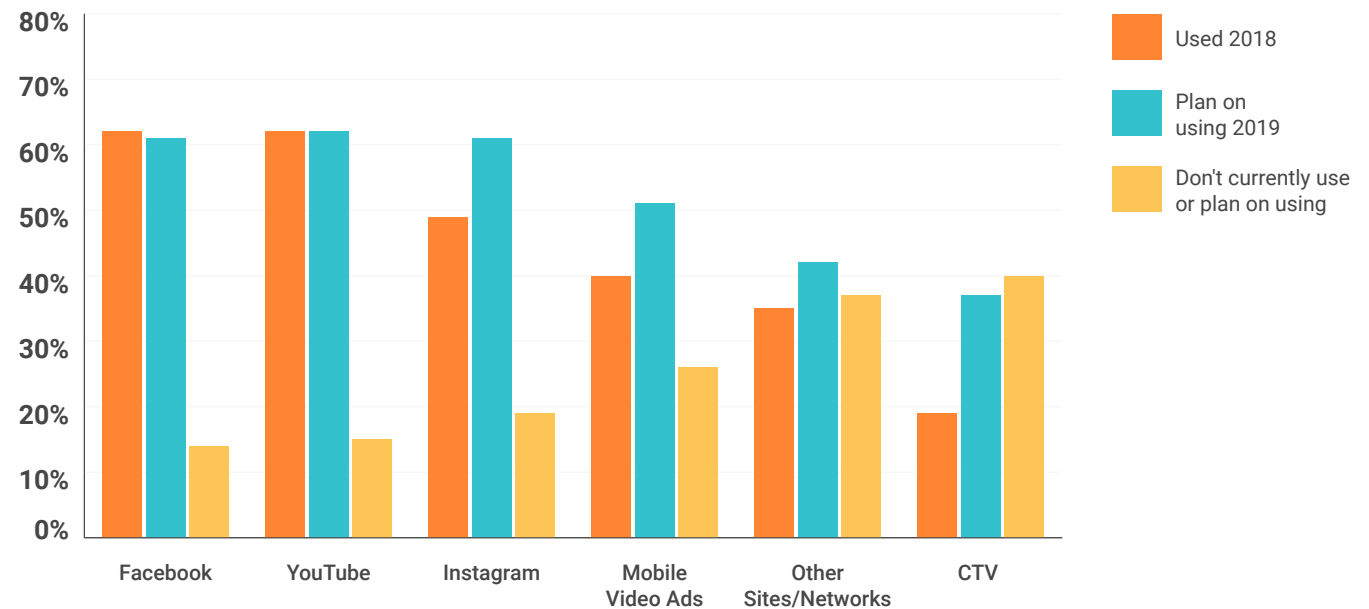
⁷ Facebook, 2016



Video advertising is often used higher in the funnel, during the dreaming phase, to inspire travellers. Many European travel marketers use video to showcase their properties and experiences in a more engaging manner—creating excitement among prospective and booked travellers. Because videos help tell the story of travel—and travellers are increasingly consuming information through online videos—it’s no surprise we see 53% of European travel marketers increasing spend on video advertising. Facebook, YouTube, and Instagram are the most utilised video ad platforms in the region.

As consumers continue to cut the cord, Connected Television (CTV) advertising is showing the largest growth—19% of European travel marketers used CTV in 2018 and 37% plan to use the digital video advertising channel this year. Spain predicts the highest increase, rising from 17% in 2018 to 43% this year.

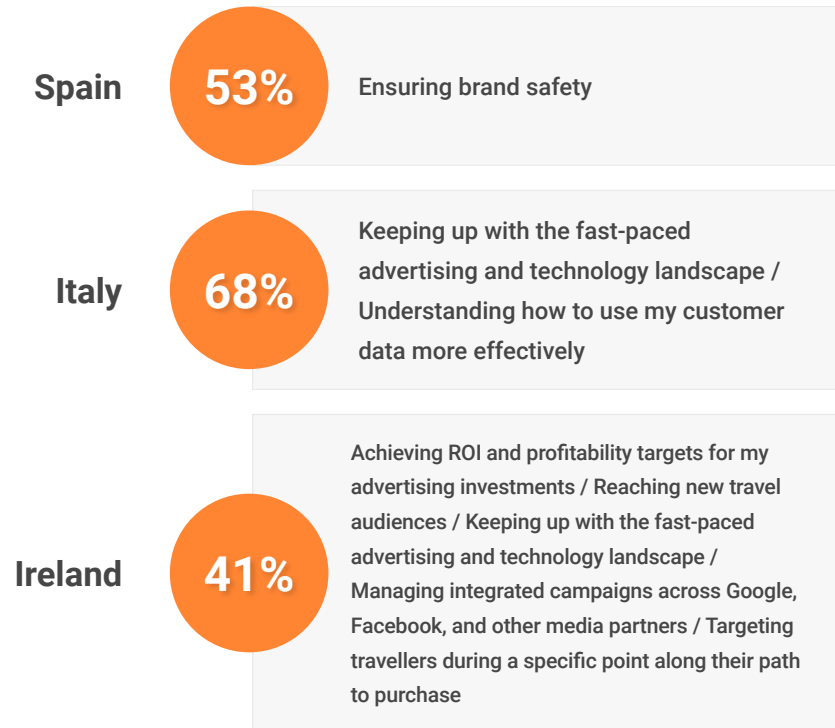
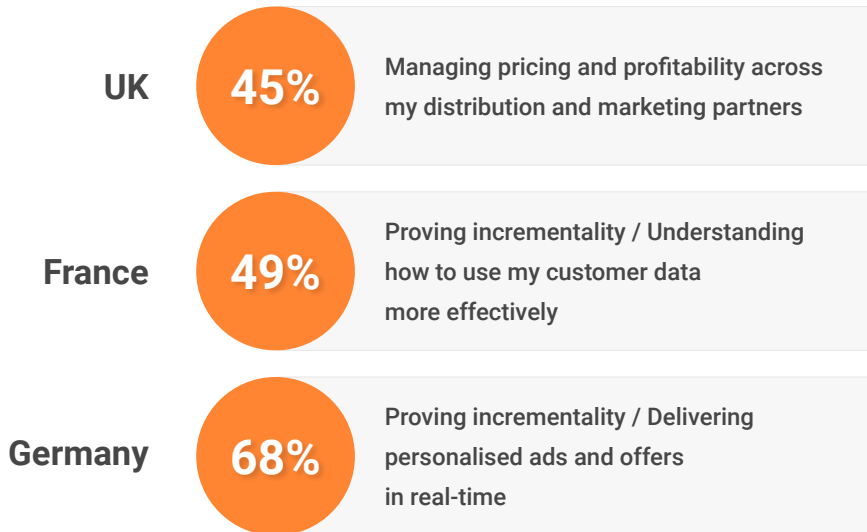
How Travel Marketers Are Using and Anticipate Using Digital Video Ads



Which types of digital video advertising are you currently using in 2018 and/or considering using in 2019?
Source: Sojern, 2019

Key Challenges in Europe

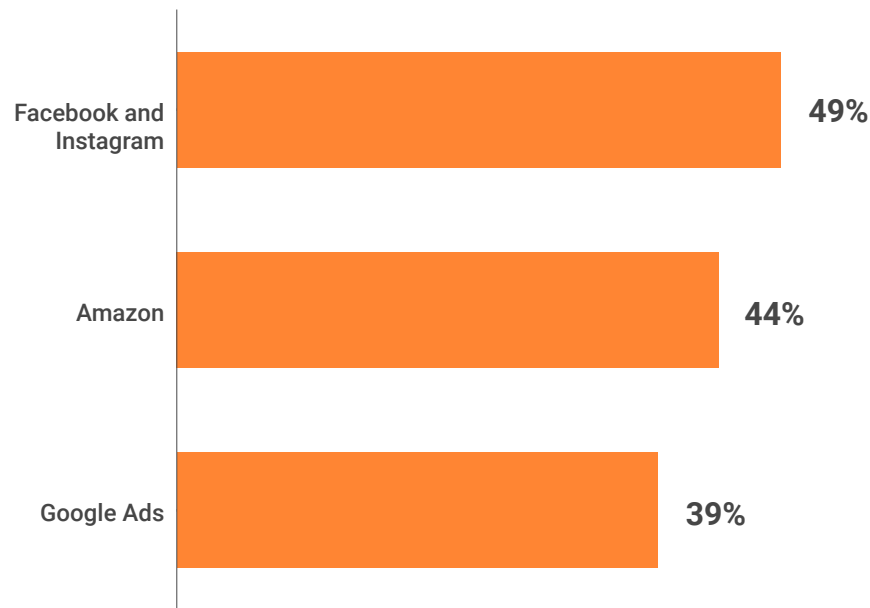
With General Data Protection Regulation (GDPR) introduced in May 2018, it's practical that "how to use customer data more effectively" is top of mind (46% say it is a top challenge) for all European travel marketers.



How challenging would you describe each of these common travel marketing challenges? (Percentage of respondents who selected "very/extremely challenging")
Source: Sojern 2019

The Future of Travel Marketing in Europe

Who Will Disrupt Travel Marketing?



Which of the following ad platforms or marketing technologies do you think have the biggest potential to disrupt travel marketing over the next five years?

Source: Sojern 2019

Almost half (49%) of travel marketers in the region rank Facebook and Instagram as most likely to disrupt travel marketing over the next five years. Significantly more travel marketers in Spain (60%) feel that Facebook and Instagram will disrupt travel marketing, closely followed by Italy (58%).

Working with a Facebook Marketing Partner (FMP) helps to leverage Facebook more effectively, from campaign management and optimisation to measurement to creative services.

“As a vertical FMP, we build a platform that works only for travel brands because travel has very different problems. They are dealing with seasonality. They are dealing with expiring rates and availability. It is a very different path to purchase when you compare to eCommerce, for example. We build products that address these particular challenges.”

Adphorus
a SOJERN company

Volkan Çağsal
CEO and Founder

However, it does seem that travel marketers are confident that Amazon will be able to roll out technology for the travel industry in the years to come, with 44% agreeing that Amazon will disrupt travel marketing.

Last year, **Amazon placed Echo devices in hotel rooms across the country**, starting with Marriott Hotels—enhancing the hotel guests’ experience through the power of voice commands.

“Amazon is not thinking about launching into the travel industry—**Amazon is already in the travel industry.**”



Mat Harris

Vice President of Product



Executive Summary

Digital is the largest portion of ad spend and is increasing year-over-year, with 69% of travel marketers in Europe planning to spend more on digital this year. If you're not already investing heavily in your digital marketing strategy—you should be.

Available channels, platforms, and tools are growing as well. Social remains strong as spend on Facebook, Instagram, Twitter, Pinterest, and Snapchat grows across the board in 2019 and beyond.

Recent advancements in digital advertising technology make it possible to connect with the right traveller at the right time, and to measure the impact of those interactions. But this rapidly changing digital landscape makes it difficult for marketers to keep up, especially as 49% of travel marketers in Europe believe that Facebook and Instagram have the potential to disrupt the industry in the near future. Other trends and changes, such as over half (57%) of European travel marketers planning to use Instagram Stories, are sure to have an impact as well. But, by making use of data, you can invest in the right channels and technologies to drive direct bookings (overcoming one of the highest ranked challenges at 44%).

Interested in global insights from Sojern's full State of the Industry: The 2019 Report on Travel Advertising?

Download the report at
stateofthetravelindustry.com

Methodology

Sojern's State of the Travel Industry survey was fielded online in November 2018. Respondents were sourced from Sojern's database of travel marketers and agencies as well as a third party sample. Respondents were sent an email invitation to participate in the survey and were screened to ensure they were advertising decision makers for travel brands. The survey research was fielded and hosted by Research Now (now Dynata) and covered travel marketers budget allocation, advertising planning and allocation, use of data to make marketing decisions, ad strategy effectiveness, attribution, and return on ad spend, as well as current and future trends.



About Sojern

Sojern is built on more than a decade of expertise analysing the complete traveller path to purchase. The company drives travellers from dream to destination by activating multi-channel branding and performance solutions on the Sojern Traveller Platform for more than 8,500 customers around the globe.

Recognised as a Deloitte Technology Fast 500 company six years in a row, Sojern is headquartered in San Francisco, with teams based in Berlin, Dubai, Dublin, Hong Kong, Istanbul, London, Mexico City, New York, Omaha, Paris, Singapore, and Sydney.



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