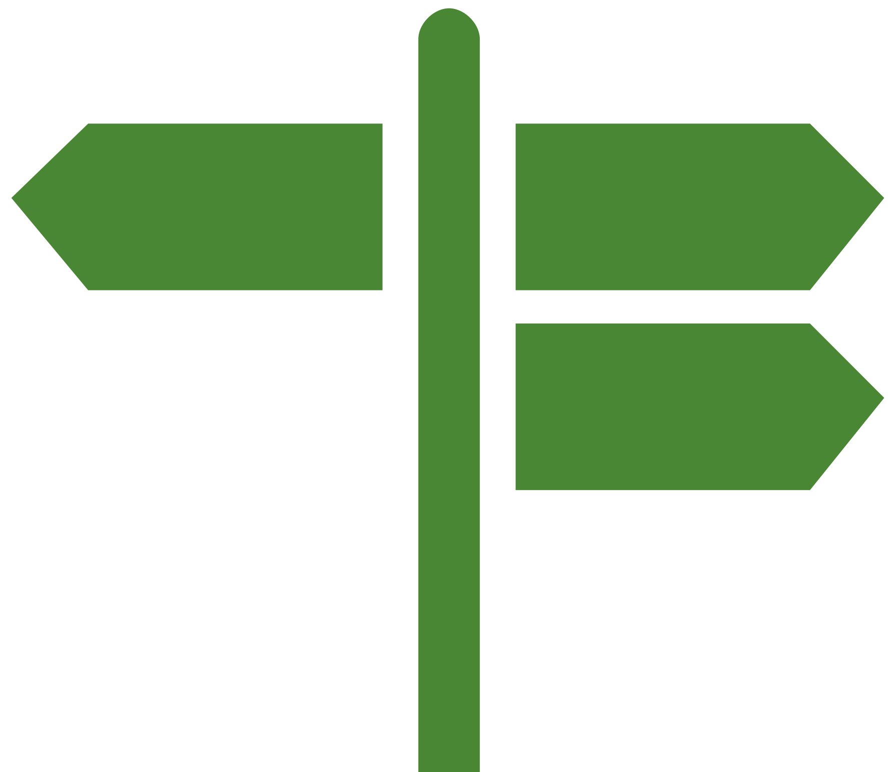
TripBarometer 2014

The world's largest traveler and accommodation survey

Global Report April 2014

Prepared for: tripadvisor®

Content



Introduction

Key Objective:

To understand emerging travel trends globally, regionally and locally from a multi-dimensional angle and convey businesses' and travelers' perspectives

Fieldwork: 14th February - 10th March 2014

Consumer survey sample size:

50,637 Interviews completed

48,352 Via a pop-up on TripAdvisor website

2,285 From the Ipsos panel

Business survey sample size:

10,370 Interviews completed

61,007 interviews in total, with the data weighted to represent the markets

Methodology

TripBarometer was introduced by TripAdvisor in 2012, with the aim of measuring and tracking global travel industry trends amongst both businesses and consumers. Wave 1 and 2 of this study were conducted in 2012 and 2013 respectively, before Ipsos MORI was commissioned to conduct the current wave of research in 2014.

All interviewing was conducted with online methodology, as follows:

- The **consumer** research was conducted in 32 markets, predominantly via a pop-up link on TripAdvisor's local websites. In TripAdvisor's priority markets, Ipsos' online panels were deployed where necessary to ensure a minimum of 500 completes were achieved in each (please refer to the Appendix for detail on sample size breakdown by markets).
- An email invitation was sent to accommodation **businesses** who use TripAdvisor free services. A minimum of 150 completes were achieved in each priority market (with the exception of Russia and China, where a minimum of 100 completes were achieved).

keep in line with previous waves of TripBarometer, survey data was weighted to represent the global online population, to. In addition, weighting is also applied at the country level.

- Consumer weighting: The data are weighted to represent the online population within each country and also to represent the country's profile in terms of age, region and gender.
- Business weighting: Every country has been given an equal weight. Where the base size is too small, then countries within the same region have been grouped together and given the same weight as an individual country.

In this report, no data with base sizes below 100 is reported. Due to variances by property type/size, data by market for the business survey has also not been reported.

Throughout this report, travelers are defined as those who have researched or planned vacations online in the last 12 months. Business respondents were in one of the following positions/roles:

- Owner, manager, director, general manager, vice president, president
- Day-to-day management of the business, marketing, sales, commercial

In some places, we have referenced data from the previous waves of this survey. W1 2013 refers to Wave 1 2013 and W2 2013 refers to Wave 2 2013. The difference in sample composition across the different waves is detailed in the appendix.

Executive Summary

Executive summary

International leisure trips are set to increase…

In the past year travelers have mainly taken staycations, however further flung trips are on the agenda, as in the next year international leisure trips are set to increase by an estimated 7% globally. The importance of travel is reinforced by the fact that four in five travelers are willing to make a sacrifice in another part of their life to ensure that they are able to take one. Average consumer travel spend will rise too, particularly by South Africans and Asians, although the picture is more mixed for Europeans who are still feeling the squeeze from the recession. The impact of currency exchange on vacation plans is polarized, as nearly half say it has had an impact but yet the same proportion again say it will not change their plans. Even amongst those who are the most impacted, the majority have researched to find a better price, highlighting the importance of vacations to these travelers.

The importance of travel along with the increase in international leisure trips and travel spend in the next year is mirrored in business confidence, as seven in ten are optimistic about their profitability in the next year. This optimism is not hindered by plans to increase room rates, with one in four saying that the main reason for this is to drive bookings. In a similar vein, although the proportion of businesses planning to open new properties has fallen since the last wave, those who are planning to are mainly driven by confidence in the tourism sector. However there is still some concern that the national and global economy will impact their profitability and furthermore, investment in new property openings has dropped since the last wave of the survey. Perhaps reflecting this caution, staff training is a higher investment priority than staff hiring.

Three distinct traveler profiles…

In addition looking at differences by nationality, grouping travelers by life stage reveals three distinct groups that display different profiles and characteristics.

Based on the respondents of this study, **millennials** fall into the younger age bracket, have no familial responsibilities and are more likely to be female. Generally residing in emerging markets they tend to be more positive about the economy and plan to increase international leisure travel in the next year. **Families** tend to be those who are married or in a committed relationship with children, but more sensitive to changes in the economy. They still plan to spend slightly more on next year's travel. **Retirees** fall into the over 55 age bracket, tend to reside in developed countries and are less cost sensitive than the other groups.

Understanding these travelers' needs could be a wise step for businesses in devising their marketing efforts, as travelers become less homogenous.

Travelers seek authenticity and culture in their travel destinations but beach is most preferred…

The average traveler claims that experiencing authenticity and vacations involving visits to historical buildings has the strongest pull in attracting them to a destination, yet despite this, beach vacations are the most preferred type of trip. Also an important factor is the availability of a good deal or special offer. Those who booked their last accommodation via mobile are more likely to say this, reinforcing the notion that this channel can be better capitalized.

Millennials are more likely to prefer backpacking trips than the other groups, families prefer all-inclusive or shopping trips while retirees are more partial to road trips, rural vacations and cruises.

Executive summary (cont'd)

Online and offline sources coexist, though online dominates…

Reinforcing the divergence of traveler needs, sources of inspiration are varied across different traveler groups. Online sources are most commonly used, with TripAdvisor unsurprisingly topping the list. Word-of-mouth is still an important source of ideas for consumers and consequently nine in ten travelers use offline sources.

Millennials are impacted by a multitude of sources, including travel blogs, travel guide websites and different forms of content including photos and videos, whereas retirees show more reliance upon ratings/scores and written reviews on review sites.

Review site content is most powerful whilst the role of social media is overestimated…

Businesses recognize the importance of online traveler reviews with nearly all encouraging or collecting these. This is aligned to consumer behavior as it is apparent that content on review sites has the most impact on idea gathering and, additionally, is crucial at the accommodation booking stage.

Whilst we live in the age of social media, its impact on the travel industry may not be as strong as perhaps perceived. Social media (e.g. Facebook, Twitter, YouTube) content is low on the list of sources of inspiration and although it moves up in terms of influence, it still trails travel review websites such as TripAdvisor, word-of-mouth and content generated on other travel websites.

And its tangible benefit to business is yet to be materialized…

Despite this, businesses plan to invest more in social media in 2014, perhaps responding to its seemingly growing presence in commercial marketing. Findings point to the management of online reputation as the key driver to engage with guests via social media, which links back to the importance of online reviews to both businesses and travelers.

Mobile related services are on the rise, as mobile bookings are emerging…

Whilst online bookings are commonplace, the proportion of booking via mobile is increasing. This is particularly apparent for Asian travelers, whose behavior implies a 'leapfrogging' from offline to mobile channels. Coupling the recognition of the increasingly social traveler and the requirement of hotels to provide free in-room Wi-Fi for travelers who want to stay connected via mobile, businesses should look to market themselves more effectively through mobile channels.

General travel behavior

- Some travel requirements are common amongst all global travelers, however, travelers from different countries place importance on different requirements.
- In addition to differences by nationalities, there are clear diverging needs among the millennials, families and the retirees. This poses a challenge for the travel industry to cater to travelers from all walks of life.

Key findings

Travel locally, but dream far

Businesses say that the majority of their guests are from their home countries – this matches with vacations taken by travelers where the majority said they traveled to somewhere within their own country in the last 12 months.

A high proportion of travelers plan to visit Europe in the next 12 months, with Italy, France and the UK topping the list. If money were no object, Italy and Australia top travelers' wish lists as countries to visit in the next two years. The only noticeable difference is that the Chinese are the only nationality that is most likely to consider their own country as their dream destination. Looking at travelers at different life stages, millennials include UK in their top five destinations, whereas families are more likely to say the Caribbean is their dream destination.

Divergence of travel needs

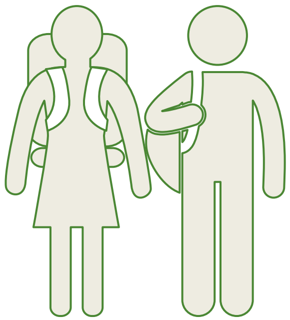
The average global traveler mainly looks for authenticity and culture on their vacations. These travelers tend to book accommodation online and plan to spend less on leisure travel next year.

Travelers are also on the lookout for good deals. The majority of these 'bargain hunters' are likely to travel either with family members or alone. While they are more price-conscious, they are planning to spend more on leisure travel in 2014 than they did in 2013. Interestingly, they are also more likely to have booked accommodation through mobile. Special offers pushed through mobile could be the right step forward for businesses.

Despite travelers claiming that authenticity and cultural sight-seeing draw them to a location, it is beach vacations that are most preferred. However, this is where the needs of travelers at different life stages differ: families prefer beach vacations and have more interest in all-inclusive options and shopping; retirees opt for cultural and learning trips, and are likely to take road trips, rural/ outdoors and cruise vacations; while millennials who prefer both beach and cultural vacations are more likely to prefer backpacking trips.

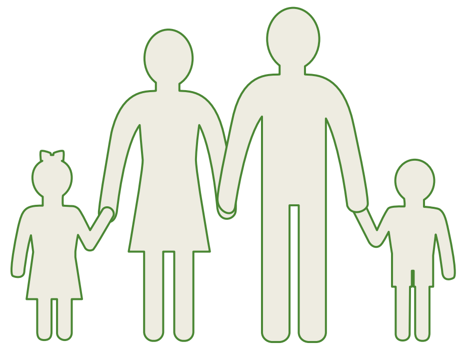
Travelers from different countries are also looking for different vacations. Asians, in particular the Chinese, are more likely than other travelers to focus on spiritual wellbeing. Cuisine is also essential as Asian travelers are more likely than others to say their preferred trip involves food or cooking. South Africans are more likely than other travelers to prefer all-inclusive or package vacations, hot and sunny locations and be drawn to a destination based on a good deal. Middle Easterners are more partial to shopping and traveling in luxury than other travelers, and they place city vacations before beaches in terms of preference. Australasians have less interest in hot and sunny locations and are not swayed by nightlife. This ties in with their trip preferences, which sees cultural trips topping their list. Europeans are more partial to hot and sunny destinations than Australasians and are keen to speak a different language when traveling. North Americans are the least concerned by environmental impact, but most likely to want to find destinations that are 'off the beaten track'. South Americans are more likely to choose their vacations based around their physical wellbeing and those that have low environmental impact.

Travelers from different life stages



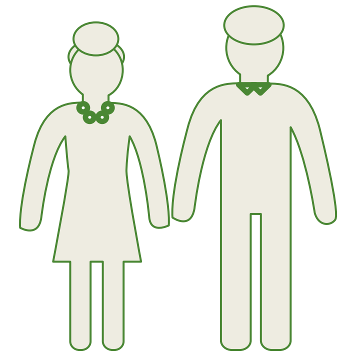
Millennials

- They are 18-34 years of age, without children. Just over half are female (57%).
- They tend to reside in the following markets: Brazil, China, Japan, India, Thailand.
- They are generally more positive about the economy, and will spend more next year on travel.
- Despite being attracted to new destinations, they also need reassurance – the media and knowing/speaking to someone who has visited the location are likely to influence their travel decision. Tourist activities available at the destination and flight fares are key decision factors.



Families

- They are married with children under the age of 18, aged between 25-54.
- They are more likely to feel the effects of the economy, but are still planning to spend slightly more on next year's travel.
- The types of restaurants/shops at the destination and the weather are more important to this group. Additionally, online reviews are more likely to impact their travel decision. Tourist activities and flight fares are also important factors.
- They are more likely to prefer beach and all-inclusive vacations than the other groups, perhaps driven by the desire to get a good deal, another key decision factor for this group.



Retirees

- They are 55+, with two-thirds being male (67%).
- They tend to reside in developed countries (US, UK, Canada, France).
- This group is less cost sensitive.
- Whilst monetary factors are less likely to be an influence for this group, the type of accommodation available at the destination and the weather comes into play. Although less so than the other groups, they are still online and connected.
- They took nearly 50% more international leisure trips last year than the 18-24 year olds.

Base: All consumer respondents (50637), Millennials (9175), Families (24888), Retirees (13692)
NB. These life stage demographics are characteristic of respondents from this survey only. Not all respondents fall into one of these categories.

Where do travelers come from?

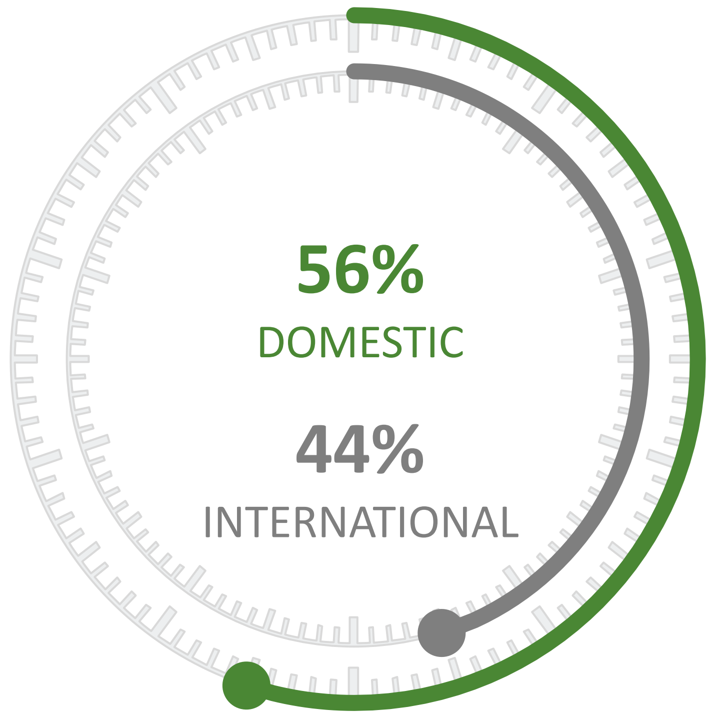
- Just over half of the trips taken in the past 12 months are staycations, which largely matches businesses' estimation of their guests' origin.

Leisure trips taken by travelers in the past 12 months

63% Domestic trips

37% international trips

Businesses' estimates of guests' country of origin



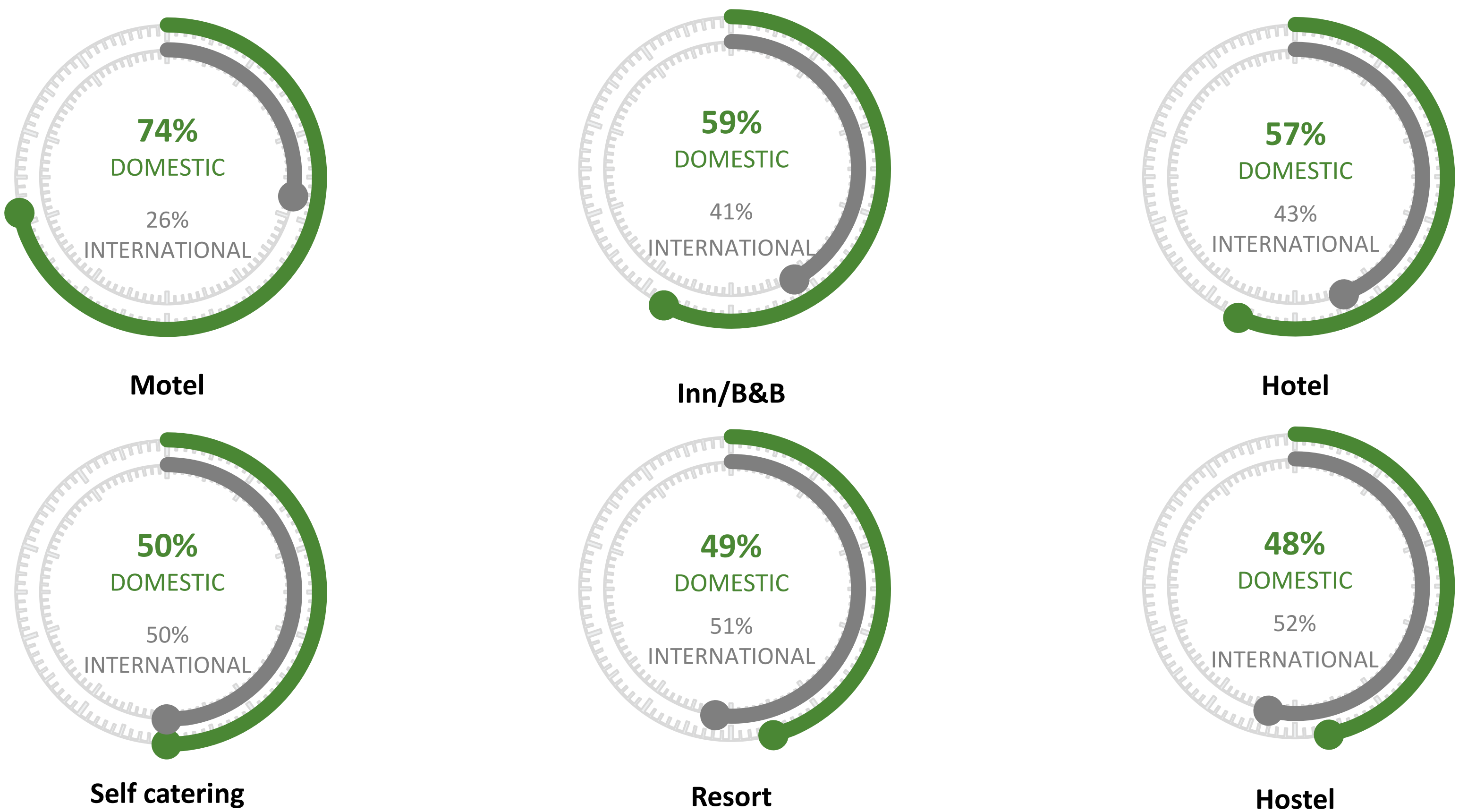
2014

W2 2013

2014: CQ5. How many trips where you have stayed away for one night or more have you taken in the last 12 months? Base: All consumer respondents (50637)
2014: BQ13. Thinking about your guests, what percentage of these come from the same country the property is in, and what percentage come from abroad?
W2 2013: Q9. Thinking about your guests, what percentage of these come from this country (where your property is based), and what percentage come from abroad?
Base: 2014: All business respondents excluding 'don't knows' (10122) W2 2013: All business respondents: (10467)

Guests' countries of origin – by property type

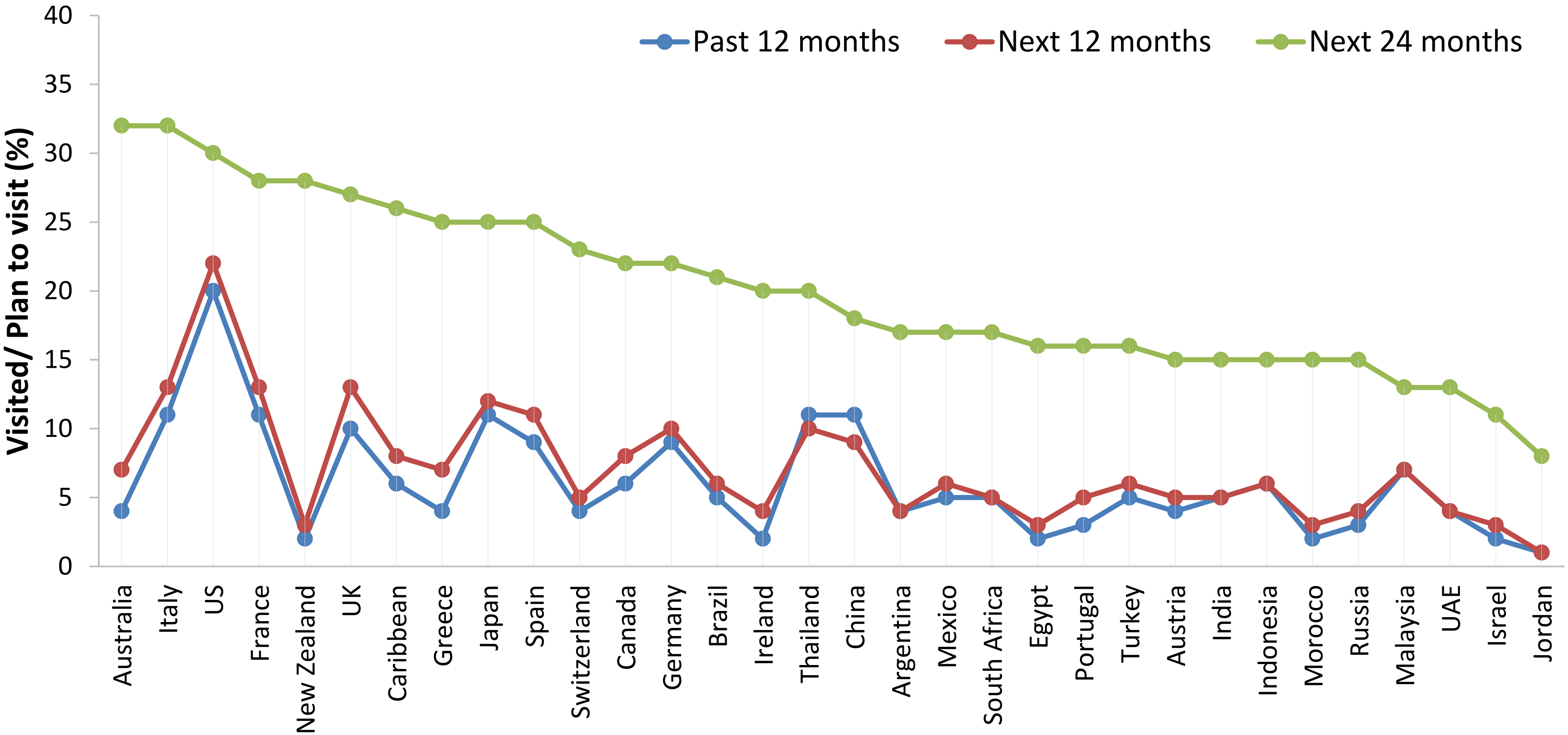
- Motels mainly cater to domestic travelers.
- Hostels and resorts are more likely to receive guests from abroad.



2014: BQ13. Thinking about your guests, what percentage of these come from the same country the property is in, and what percentage come from abroad?
Base: All business respondents excluding 'don't knows' (10122), Motel (290), Inn/B&B (4254), Hotel (3260), Self catering (1796), Resort (595), Hostel (344)

Top destinations for international travelers

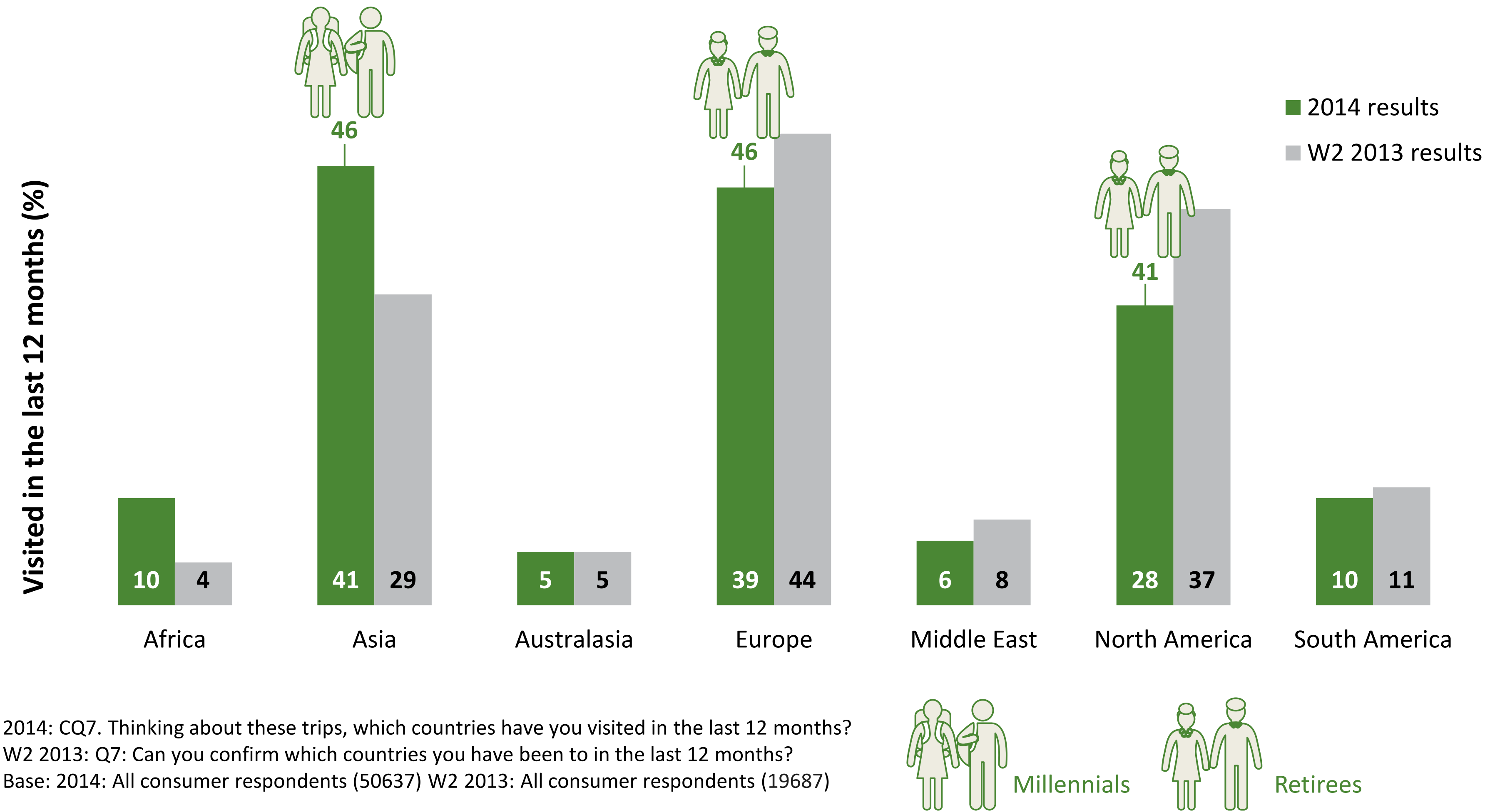
- Europe is the overall favorite region (71%). Italy and Australia top the list (32%) of dream destinations.
- However, European travelers prefer to visit the US (35%).



CQ7. Thinking about these trips, which countries have you visited in the last 12 months? Which countries are you planning to visit in the next 12 months? And which countries would you love to visit in the next 24 months if money were no object?
Base: All consumer respondents (50637)

Where have people visited in the last 12 months?

- Europe was the most popular destination for travelers in the previous wave of TripBarometer.
- Asia was the most traveled to destination in the past 12 months, and is particularly popular amongst millennial travelers.

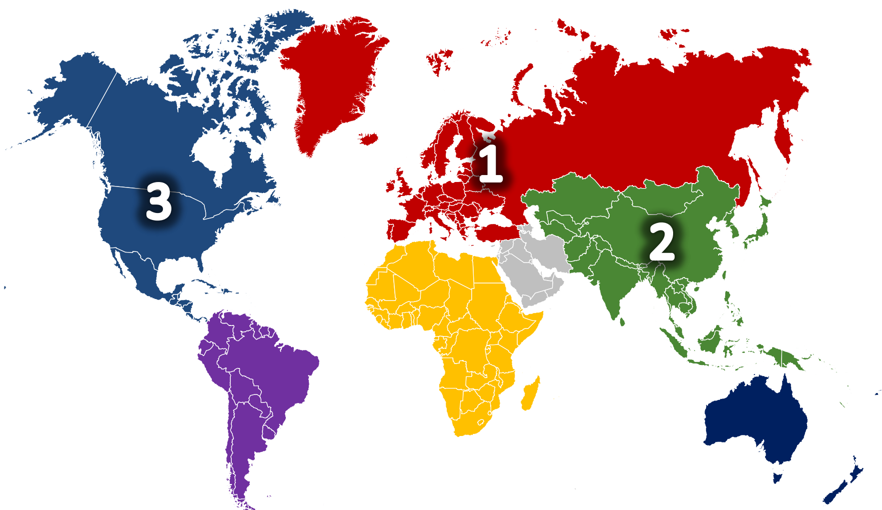


2014: CQ7. Thinking about these trips, which countries have you visited in the last 12 months?
W2 2013: Q7: Can you confirm which countries you have been to in the last 12 months?
Base: 2014: All consumer respondents (50637) W2 2013: All consumer respondents (19687)

Where people are planning to visit

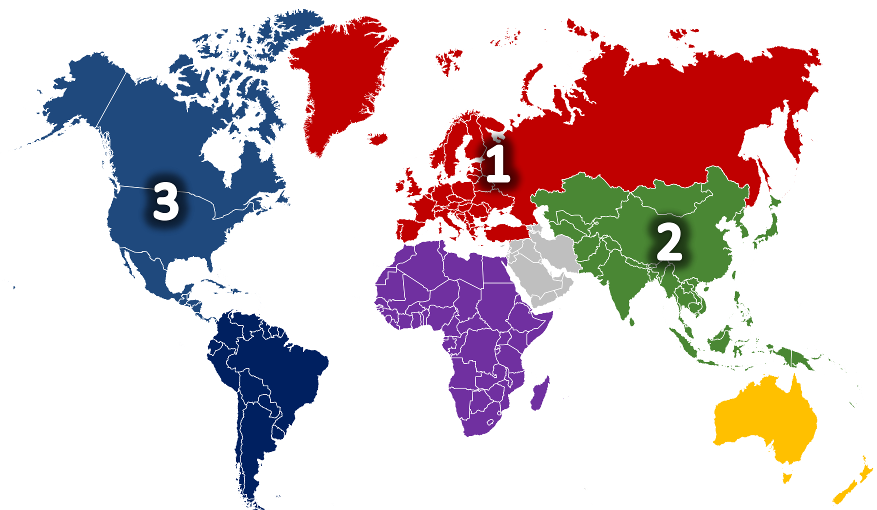
- In both the previous and current waves of TripBarometer, travelers plan to visit Europe, which is also the 'dream' destination. Asia and North America also remain popular destinations.

Next 12 months



		2014	W2 2013*
Europe	●	**1**	**1**
Asia	●	2	3
North America	●	3	2
Africa	●	4	7
South America	●	5	4
Australasia	●	**6**	**6**
Middle East	●	7	5

Next 24 months



		2014	W2 2013*
Europe	●	**1**	**1**
Asia	●	**2**	**2**
North America	●	**3**	**3**
Australasia	●	**4**	**3**
Africa	●	5	6
South America	●	6	7
Middle East	●	7	5

NB: Question was single code in W2 2013 so ranks shown. *Re-ranked to 2014 regions.
2014: CQ7. Thinking about these trips, which countries are you planning to visit in the next 12 months?
W2 2013: Q10. Where are you planning to travel in the next 12 months?
Base: 2014: All consumer respondents (50637) W2 2013: All consumer respondents (19687)

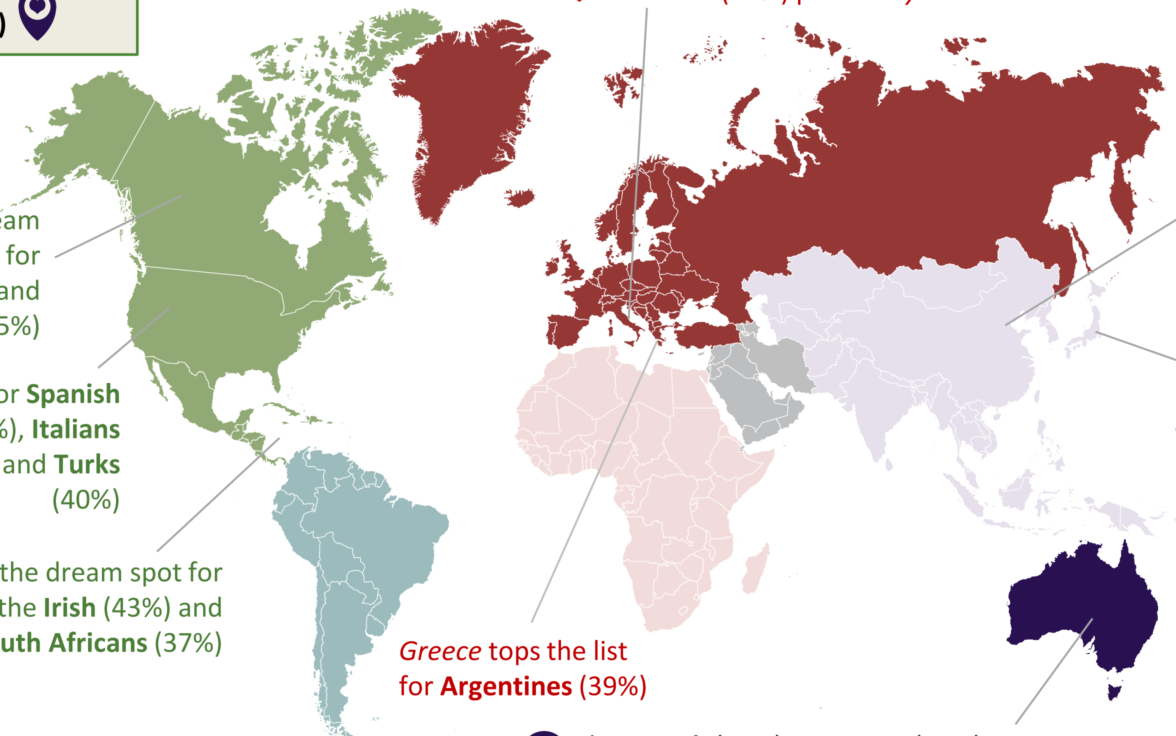
Where people would love to visit in the next 24 months

- Contrary to travelers from other regions, the ‘dream’ destinations for Asians tend to be closer to home.

Top of global wish list

Italy (32%)

Australia (32%)



Americans (49%), **Brazilians** (45%), **Mexicans** (41%) and **Russians** (30%) place *Italy* as their dream location

Canada is the dream destination for **Australians** (48%) and **New Zealanders** (45%)

The US tops the list for **Spanish** (41%), **Israelis** (40%), **Italians** (39%), **Greeks** (42%) and **Turks** (40%)

The Caribbean is the dream spot for **Austrians** (49%), the **Irish** (43%) and **South Africans** (37%)

Greece tops the list for **Argentines** (39%)

The **Chinese** (29%) would like to visit places within their *own country*

Malays (27%), **Thais** (27%) and **Indonesians** (27%) most desire to visit *Japan*

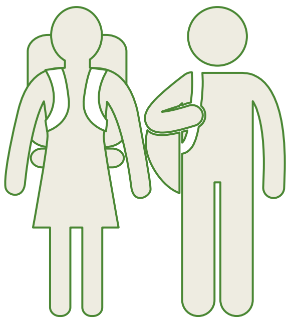
New Zealand tops the wish list for **Indian** (33%) and **UK** (43%) travelers

The **French** (36%), **Germans** (39%), **Portuguese** (43%), **Swiss** (37%) and **Canadians** (44%) name *Australia* as their dream destination

2014: CQ7. Thinking about these trips, which countries would you love to visit in the next 24 months if money were no object?
Base: All consumer respondents (50637)

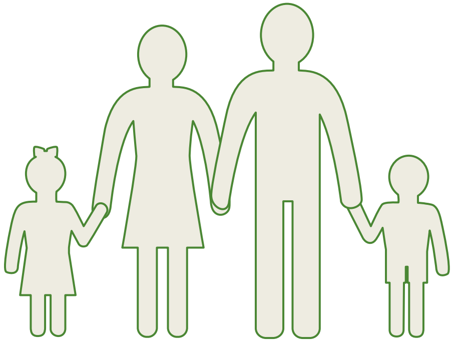
Where travelers from different life stages would love to visit in the next 24 months

- While Italy, Australia, US, France and New Zealand are commonly cited among travelers across different life stages, UK is one of the top 5 dream destinations among millennials. Families consider the Caribbean as one of their top five.



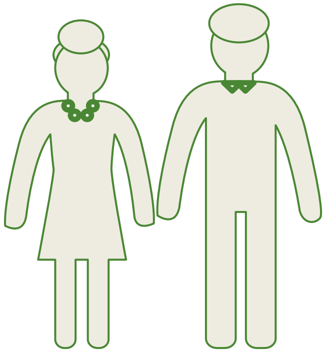
Millennials

1. Italy = 37%
2. Australia = 35%
3. US = 35%
4. UK = 33%
5. France = 33%



Families

1. Australia = 34%
2. Italy = 33%
3. US = 30%
4. New Zealand = 29%
5. Caribbean = 28%



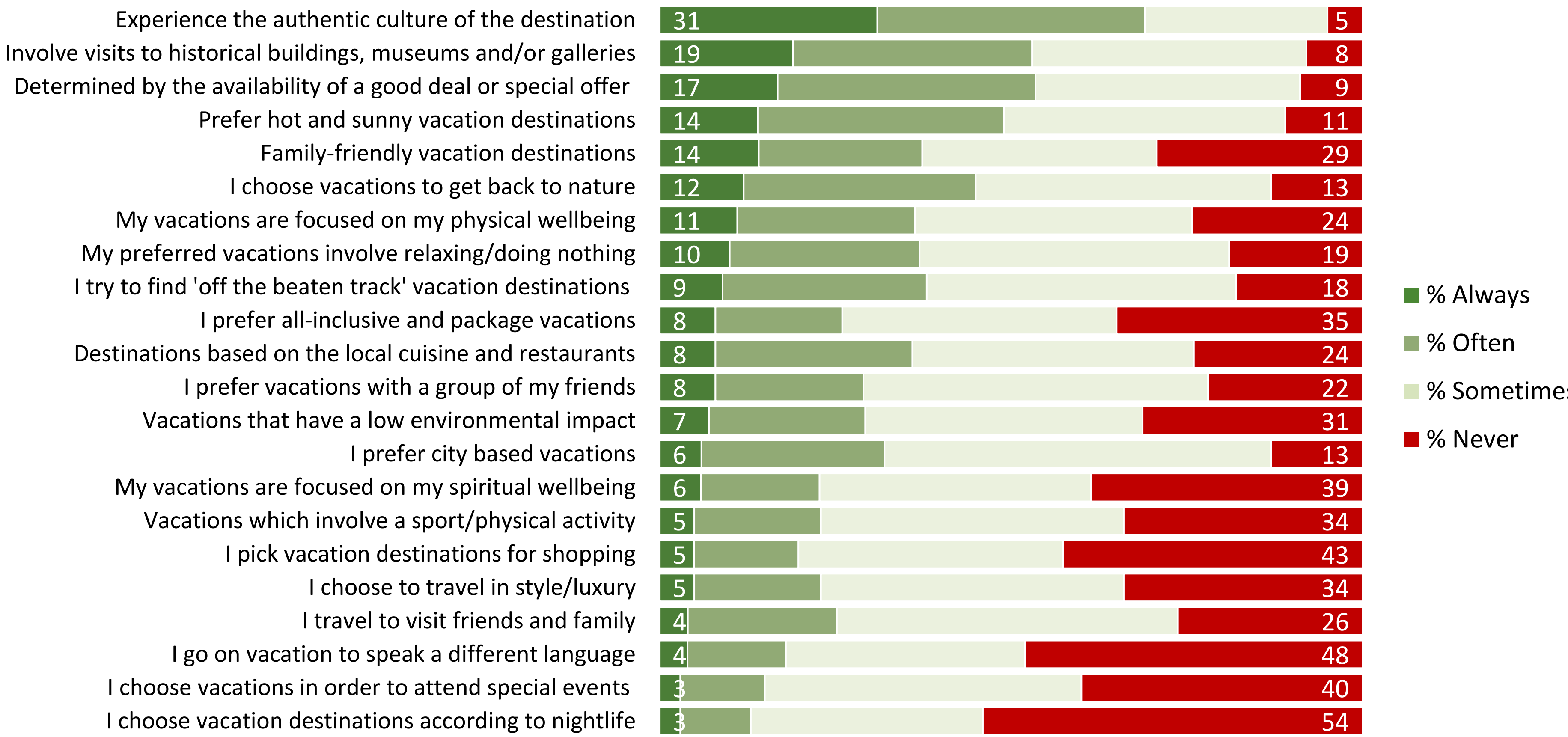
Retirees

1. Italy = 26%
2. Australia = 26%
3. New Zealand = 24%
4. US = 21%
5. France = 21%

2014: CQ7. Thinking about these trips, which countries would you love to visit in the next 24 months if money were no object?
Base: All consumer respondents (50637), Millennials (9175), Families (24888), Retirees (13692)

Travel attitudes

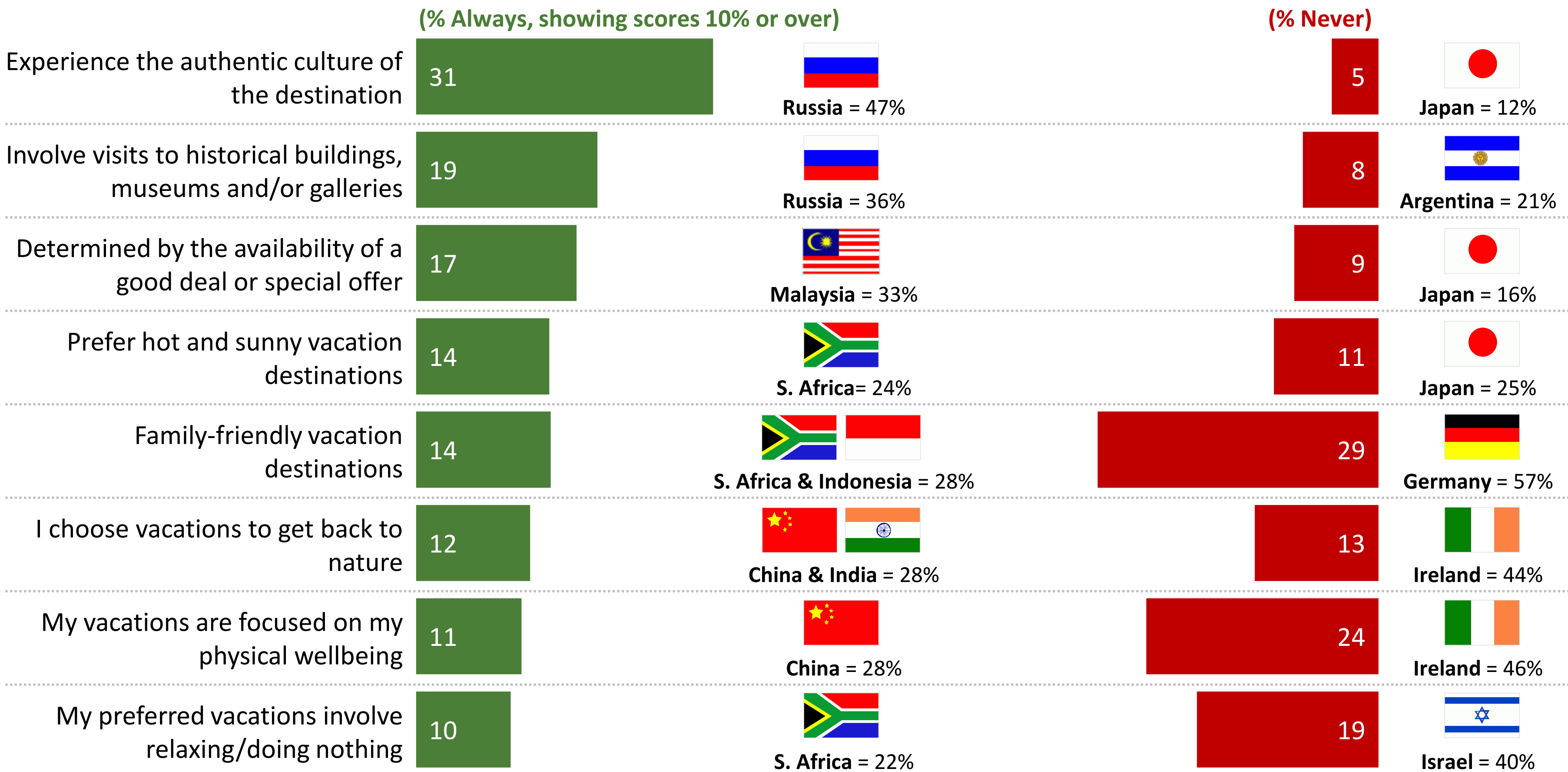
- Having an authentic experience is by far the most important deciding aspect for a good holiday.
- 54% would never choose a destination because of the nightlife, and nearly half also say they would never choose a destination to speak a different language or to go shopping.



CQ9. Thinking generally about your vacations, how often does the following apply to you?
Base: All consumer respondents (50637)

Travel attitudes – by countries

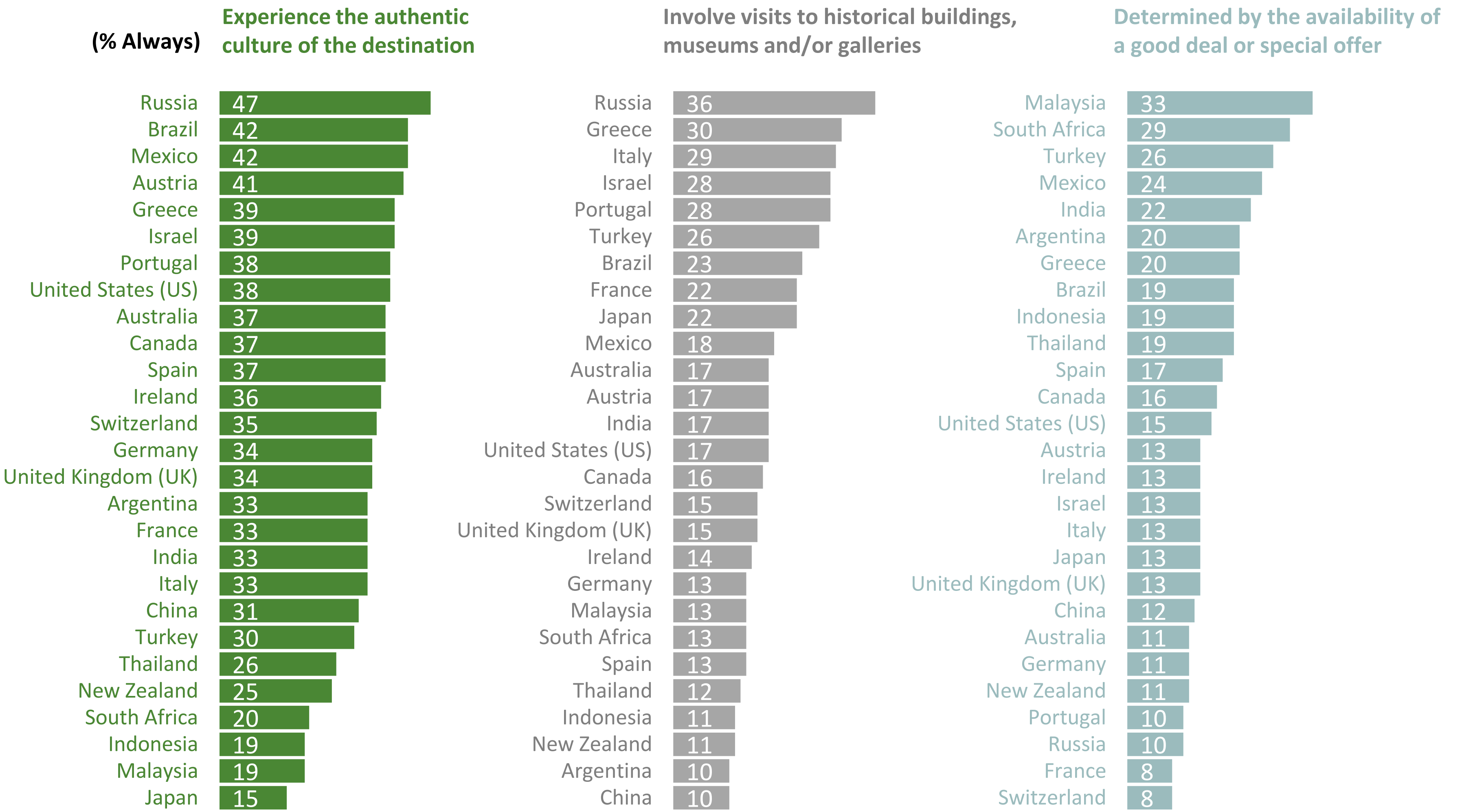
- Russians are the most keen for authenticity and culture, South Africans opt for hot and family-friendly locations to relax, whilst the Chinese wish to get back to nature and focus on their physical wellbeing. The Japanese and Irish often buck global trends.



CQ9. Thinking generally about your vacations, how often does the following apply to you?
Base: All consumer respondents (50637)

Travel attitudes – by countries

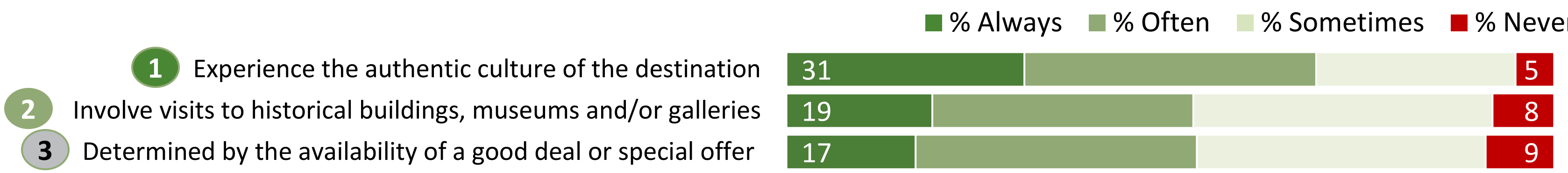
◎ Malay and South African travelers are the most likely to bargain hunt.



CQ9. Thinking generally about your vacations, how often does the following apply to you?
Base: All consumer respondents (50637)

Travel attitudes – by demographics

- Families and younger age groups are on the lookout for good deals. They are also more likely to book via mobile.



1 Those who look for authentic culture are more likely to be…

- Millennials

- Female (33%)
- Plan to spend less in 2014 (34%)
- Without children at home (33%)
- Solo travelers (39%)

2 Those who look for historical buildings/museums/galleries are more likely to be…

- Millennials

- Retirees

- Solo travelers (25%)
- Younger (18-34s) and older (55+) age groups (20%)
- Middle Eastern (26%) and European (25%) travelers

3 Those who look for good deal/special offer are more likely to be…

- Millennials

- Families

- 18-24 year olds (20%)
- With children living at home (20%)
- African (27%), South American (19%) and Asian (17%) travelers
- Booked accommodation via mobile (20%)

CQ9. Thinking generally about your vacations, how often does the following apply to you?
Base: All consumer respondents (50637)

Preferred types of trip

- As in the previous wave of TripBarometer, beach and culture remain the preferred types of trip.
- Over a quarter of travelers (28%) want to learn something new on their trips.

	Yes (%)	2014	W1 2013
Beach	36	**1**	**1**
Culture	32	**2**	**2**
A trip where I learn something new	28	3	N/A
City	21	4	3
Family / kids	20	5	5
Food / cooking	20	6	9
Vacations with a group of my friends	19	7	N/A
Adventure	18	8	3
All-inclusive resort	16	9	N/A
Rural / outdoors	15	10	7
Road trip	15	11	N/A
Shopping	11	12	N/A
Backpacking	11	13	7
Cruise	9	14	N/A
Spiritual / Wellbeing	9	15	N/A
Sporting activities	6	16	N/A
Volunteering experience	2	17	N/A
Other	3		

NB: Question was single code in 2012 so ranks shown only. W1 2013 re-ranked to 2014 list
2014: CQ10. Which of the following would you say are your most preferred types of trip? Please select up to three types.
W1 2013: Q31. Which of the following would you say is your most preferred type of trip?
Base: All consumer respondents (50637) W1 2013: All consumer respondents (19687)

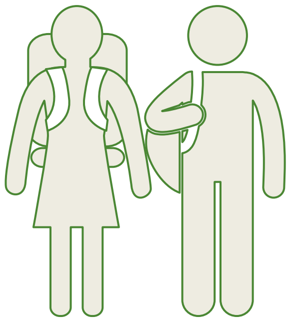
Preferred types of trip – by countries

- The Japanese are the least likely to opt for a beach vacation, but are nearly three times more likely to prefer trips that involve food or cooking than the global average.

	Global average	Top scores	Bottom scores
Beach	36%	**Argentina**= 50%	**Japan** = 21%
Culture	32%	**Australia** = 44% **Greece** = 44%	**South Africa** = 12%
Learn something new	28%	**Russia** = 59%	**South Africa** = 15%
City	21%	**Portugal** = 42%	**China** = 6%
Food /Cooking	20%	**Japan** = 53%	**Russia** = 7%

2014: CQ10. Which of the following would you say are your most preferred types of trip? Please select up to three types.
Base: All consumer respondents (50637)

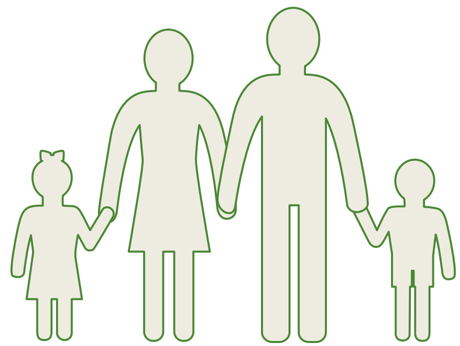
Preferred types of trip – by demographic



Millennials

Top 5 preferred trips:

1. Beach = 36%
2. Culture = 35%
3. Learn something new = 28%
4. Group of friends = 26%
5. Adventure = 24%

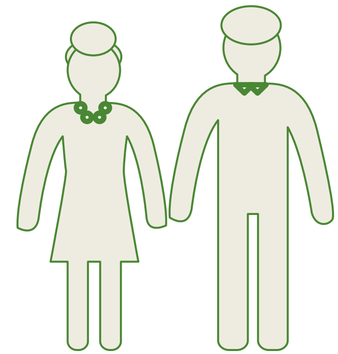


Families

Top 5 preferred trips:

1. Beach = 41%
2. Culture = 30%
3. Family = 30%
4. Learn something new = 26%
5. City = 20%

   Food/cooking = 20%



Retirees

Top 5 preferred trips:

1. Culture = 40%
2. Learn something new = 35%
3. Beach = 32%
4. City = 24%
5. Food/cooking = 23%

More likely to be partial to:

Millennials:
- Backpacking

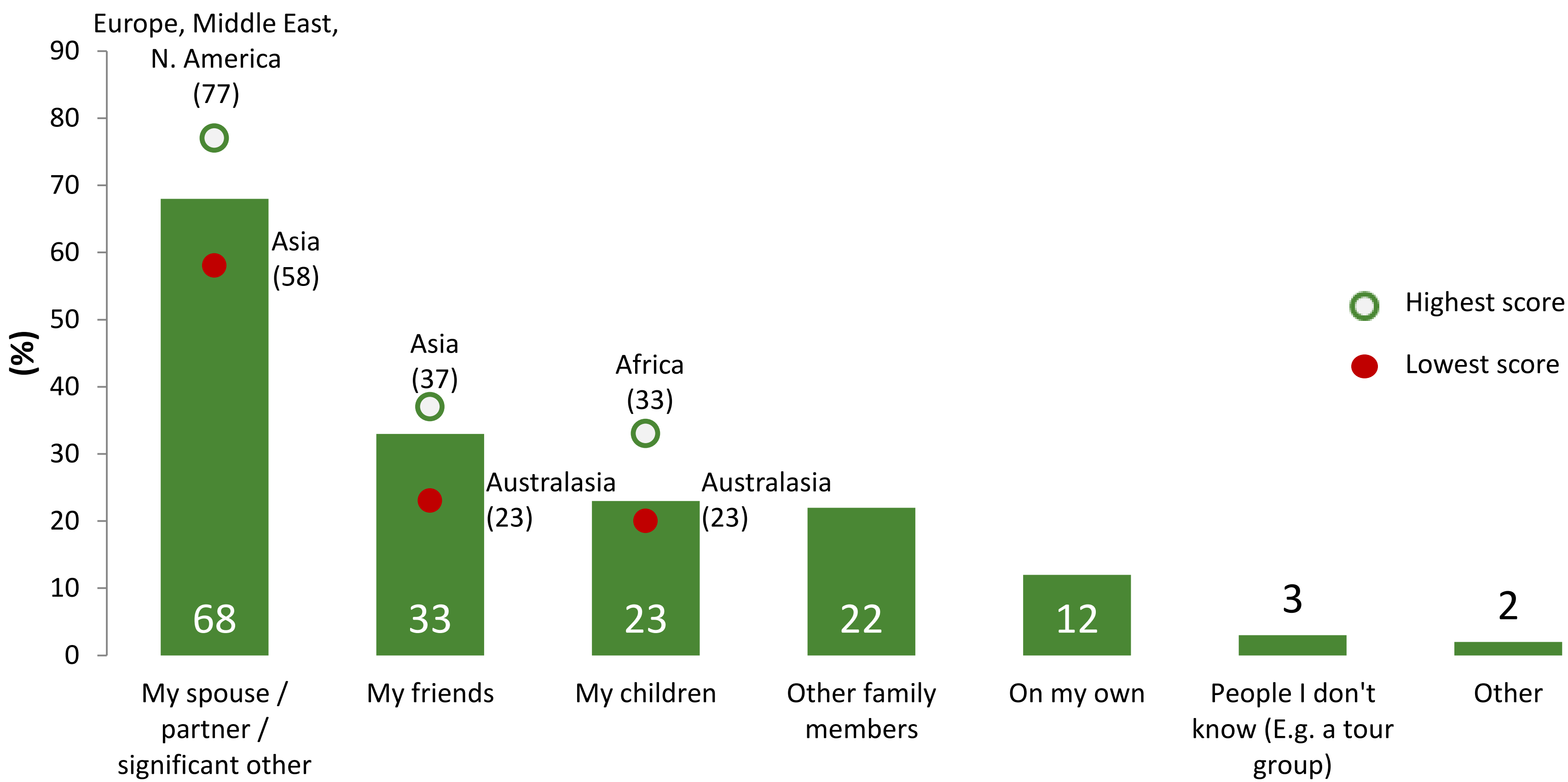
Families:
- All-inclusive
- Shopping

Retirees:
- Road trips
- Rural / outdoors
- Cruise

2014: CQ10. Which of the following would you say are your most preferred types of trip? Please select up to three types.
Base: All consumer respondents (50637), Millennials (9175), Families (24888), Retirees (13692)

Travel companions on leisure trips

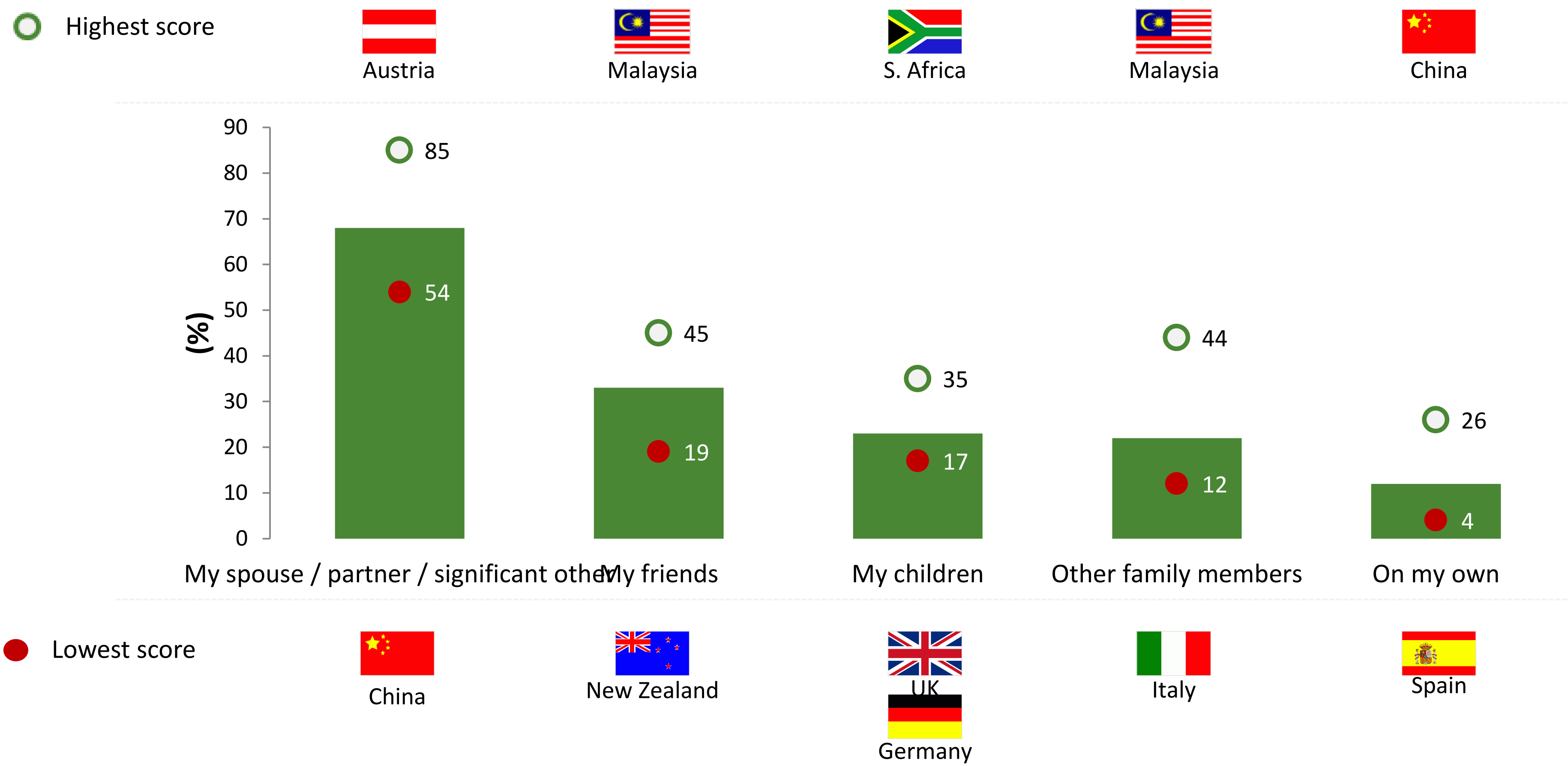
- Europeans, Middle Easterners and North Americans are more likely to be traveling with their spouse/partner/significant others.
- Asians are more likely to be traveling with friends, and Africans with their children.



CQ8. Thinking generally about your leisure travel, do you typically travel with...?
Base: All consumer respondents (50637)

Travel companions on leisure trips – by countries

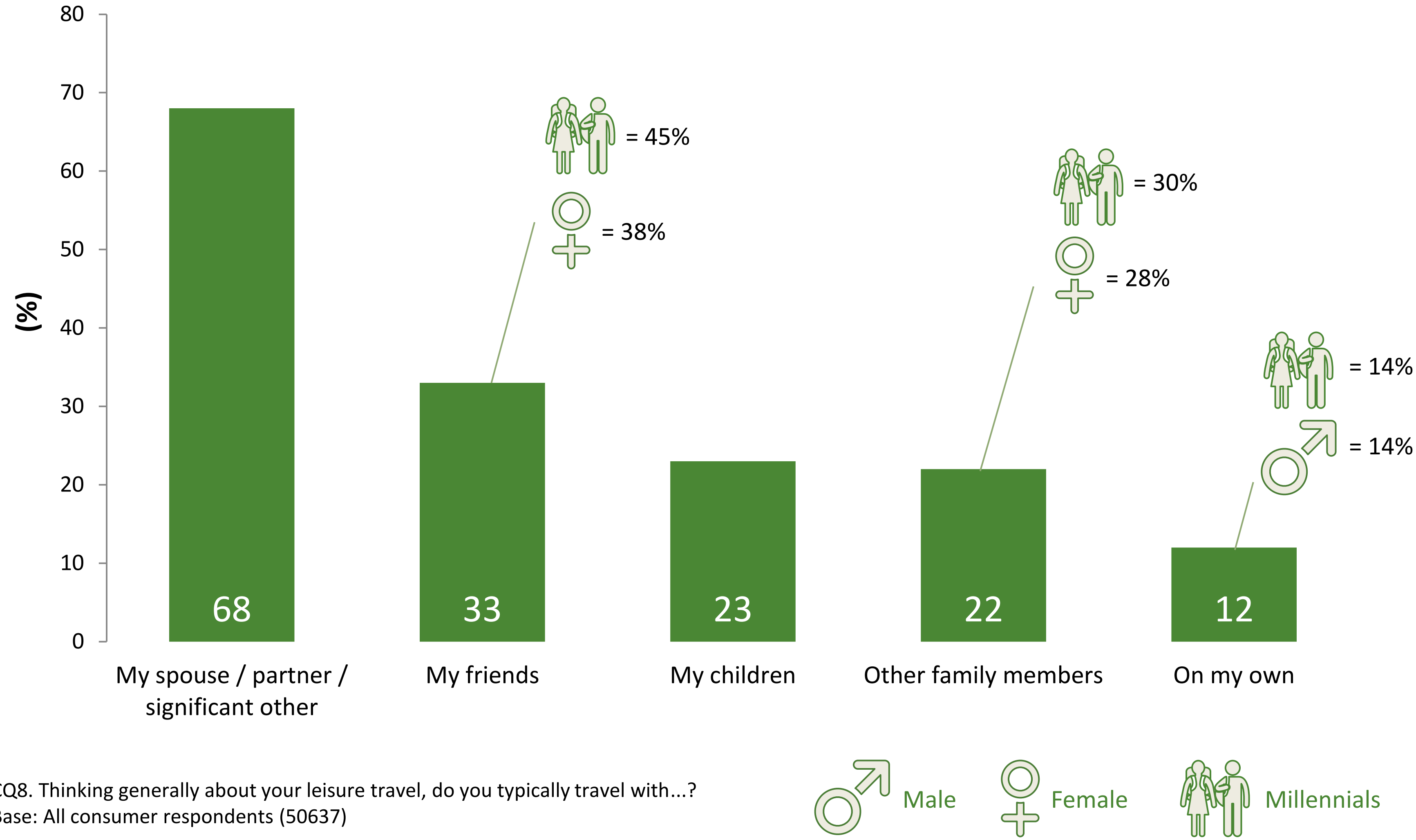
- The Chinese are the least likely to travel with their partners, and are six times more likely than the Spanish to travel alone.



CQ8. Thinking generally about your leisure travel, do you typically travel with...?
Base: All consumer respondents (50637)

Travel companions on leisure trips – by demographics

- Whilst the majority of travelers go on vacation with their partner, one in three tend to travel with friends (and the proportion travelling with friends is higher still amongst women and millennials).



CQ8. Thinking generally about your leisure travel, do you typically travel with...?
Base: All consumer respondents (50637)

Planning & Booking

- Most travelers start planning trips 3-4 months prior to travel and start booking 1-2 months before they go. Businesses estimate the majority of accommodation bookings are made 1-2 weeks before departure.

- Three-quarters of travelers use TripAdvisor as a source of inspiration for vacations; it is the most influential source, closely followed by word-of-mouth.

- Price is the most important factor when it comes to accommodation choices, though businesses perceive online reviews to have the bigger impact.

Key Findings

Distance and age determine planning time

Whilst the norm is to book three weeks to two months before departure, those who are last-minute bookers (booking within two weeks of travel) tend to be younger, travel alone. Many booked their last trip via mobile. Notably, one-quarter of Asians fall into this category. Retirees are long-term planners, most commonly booking three to six months ahead of their trip. Seven in ten Australasians book more than three months before their trip, perhaps due to the distance and cost associated with international travel from this region.

Novelty is vakued, but cost is a hindrance

Visiting places they haven't been to before is the most important factor to travelers when it comes to travel choices. This is in line with the increase in international travel in 2014, as travelers seek new destinations. Millennials are particularly likely to deem this important, as well as those traveling with people they don't know.

Flight fares are the second most important factor, increasing in importance since the last TripBarometer survey. This is more important to those traveling with family members or friends.

Similarly, price has the biggest impact on accommodation bookings. Both price and online reviews are perceived as having a significant impact on booking decisions by travelers and businesses. However, businesses have underestimated the importance of proximity to transport options, and over inflated the impact of recommendations from friends and family.

Coexistence of online and offline sources

Given the majority of the survey respondents are TripAdvisor users, it is unsurprising that most use online sources and consider TripAdvisor as the main source of inspiration when gathering ideas for their vacations. However, nine in ten travelers still consider offline channels as a source of inspiration, particularly word-of-mouth recommendations from friends and families. Social media generally plays less of an inspirational role, but comes into play at the influence stage, as it moves up the list.

Respondents across all age groups consider TripAdvisor as the main source of inspiration, however, there is a higher proportion of families and retirees who actually use it. Millennials are more inspired by travel guide websites and social media content than the other groups, possibly because the younger generation are using a multitude of online sources. Offline sources are still important, most notably among the Japanese who show a heavy reliance on travel guidebooks and brochures.

TripAdvisor is generally seen as a trusted source – when it is used as a source of inspiration, three in four travelers consider it as influential. Despite not being considered as a main source of inspiration in some of the Asian markets, those who use TripAdvisor tend to consider it as influential. Conversely, travelers in Italy and Switzerland are less likely to consider TripAdivsor as influential when compared to other countries, despite the majority of travelers in these countries using it as a source to gather ideas.

Key Findings (cont'd)

Travelers are booking online, but mobile is emerging

Two-thirds of travelers booked their last trip online, with web based travel agencies emerging as the most popular channel. Despite the low usage of mobile booking globally, Asian travelers are the most likely to book via mobile, with one in ten Chinese travelers doing so on their last trip. However, Asians are also the group most likely to book offline, suggesting a leap straight from offline to mobile channels. This may be a trend for businesses to watch out for, especially if they are looking to target travelers from the emerging markets.

The main reason for booking online and via mobile is to get the best price. Offline bookers like to feel secure when making the booking and book offline out of habit.

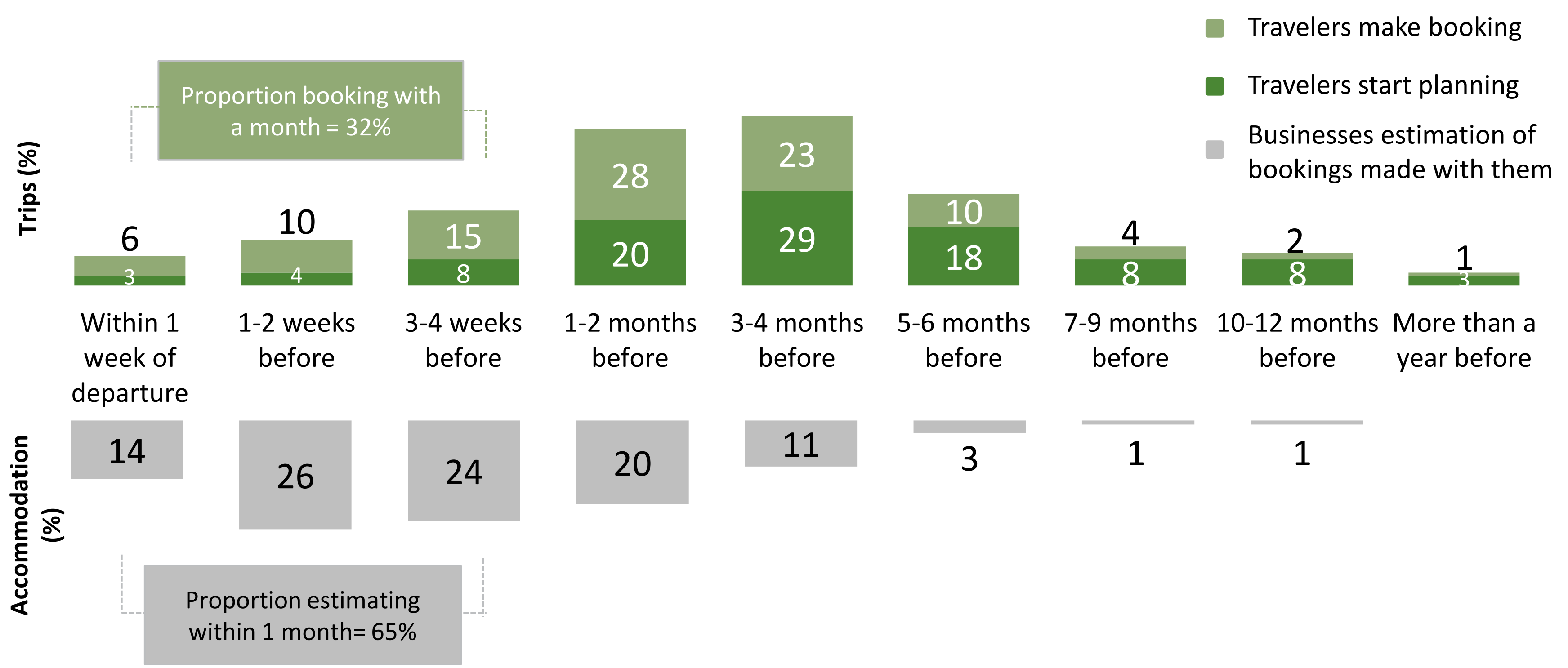
The growing appetite to be connected

Free in-room Wi-Fi is the most important accommodation amenity for travelers who are deciding on where to stay, and its importance has overtaken free breakfast compared with the previous waves of TripBarometer. Businesses recognize this and more of them are providing the amenity in larger numbers. However, while the majority of businesses also offer free lobby Wi-Fi, travelers consider this a far less important amenity when making booking decisions. Generally offering Wi-Fi is crucial as travelers use their mobiles for researching travel 'on the go'.

Finally, 90% of businesses offer free tourist information, something particularly valued by the millennials. This is perhaps due to their desire to visit somewhere they have never been before and learn new things, as well as their tendency to make last-minute travel decisions.

How far in advance is planning and booking done?

- Most travelers plan their trips 3-4 months before departure and start booking their trips 1-2 months in advance.
- Businesses estimate that the majority of their bookings are made 1-2 weeks before the trip – underestimating the pre-planning time of the average traveler.



CQ11. How far in advance do you usually start planning and make the booking for your vacations?
Base: All consumer respondents (50637)
BQ14. How long in advance would you say the majority of the bookings in your property/properties are made?
Base: All business respondents (10370)

Advance planning and booking behavior – by country

- One in four Asians book within two weeks of travel, while Australasians start to plan and book the earliest (70% book three or more months in advance).

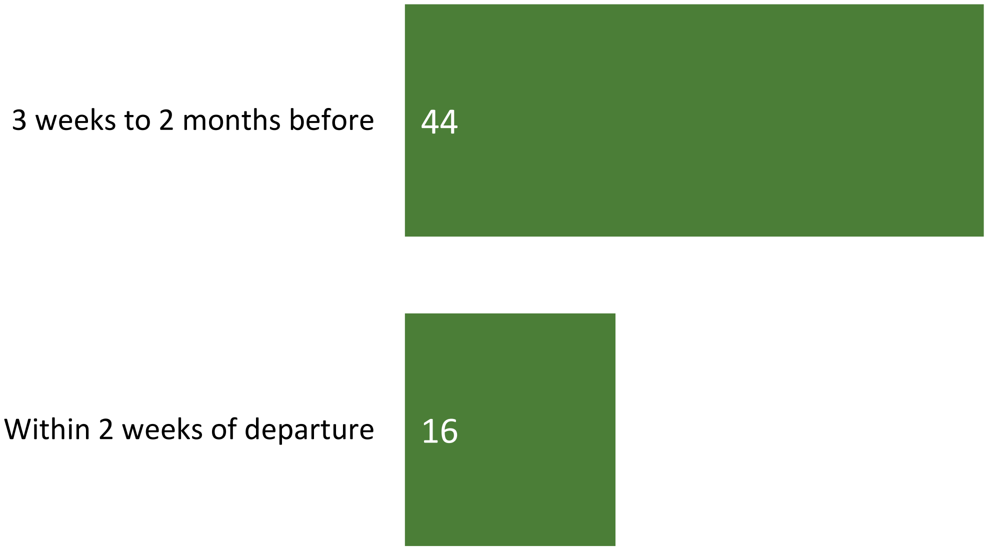
	Most likely to start planning		Most likely to make booking	
	Country	**Global**	**Country**	**Global**
Up to 2 weeks before	Thailand = 24% China = 21%	7%	Thailand = 42% China = 36%	16%
3 weeks to 2 months before	Thailand = 45% Greece = 40%	27%	India = 57% Greece & Spain = 56%	44%
3-6 months before	Ireland = 55%	47%	Australia = 55% New Zealand = 54%	33%
7- 12 months before	Australia = 36% United Kingdom = 29%	15%	United Kingdom = 20% Australia = 16%	6%
More than a year before	Australia = 11% New Zealand = 10%	3%	N/A: all countries score <5%	

CQ11. How far in advance do you usually start planning and make the booking for your vacations?
Base: All consumer respondents (50637)

Advance planning and booking behavior – by demographics

- Travelers who book last-minute are more likely to be younger and traveling solo, thus eliminating the need to co-ordinate with others. Retirees are long-term planners, booking further in advance.

Time before the trip to make bookings (%)



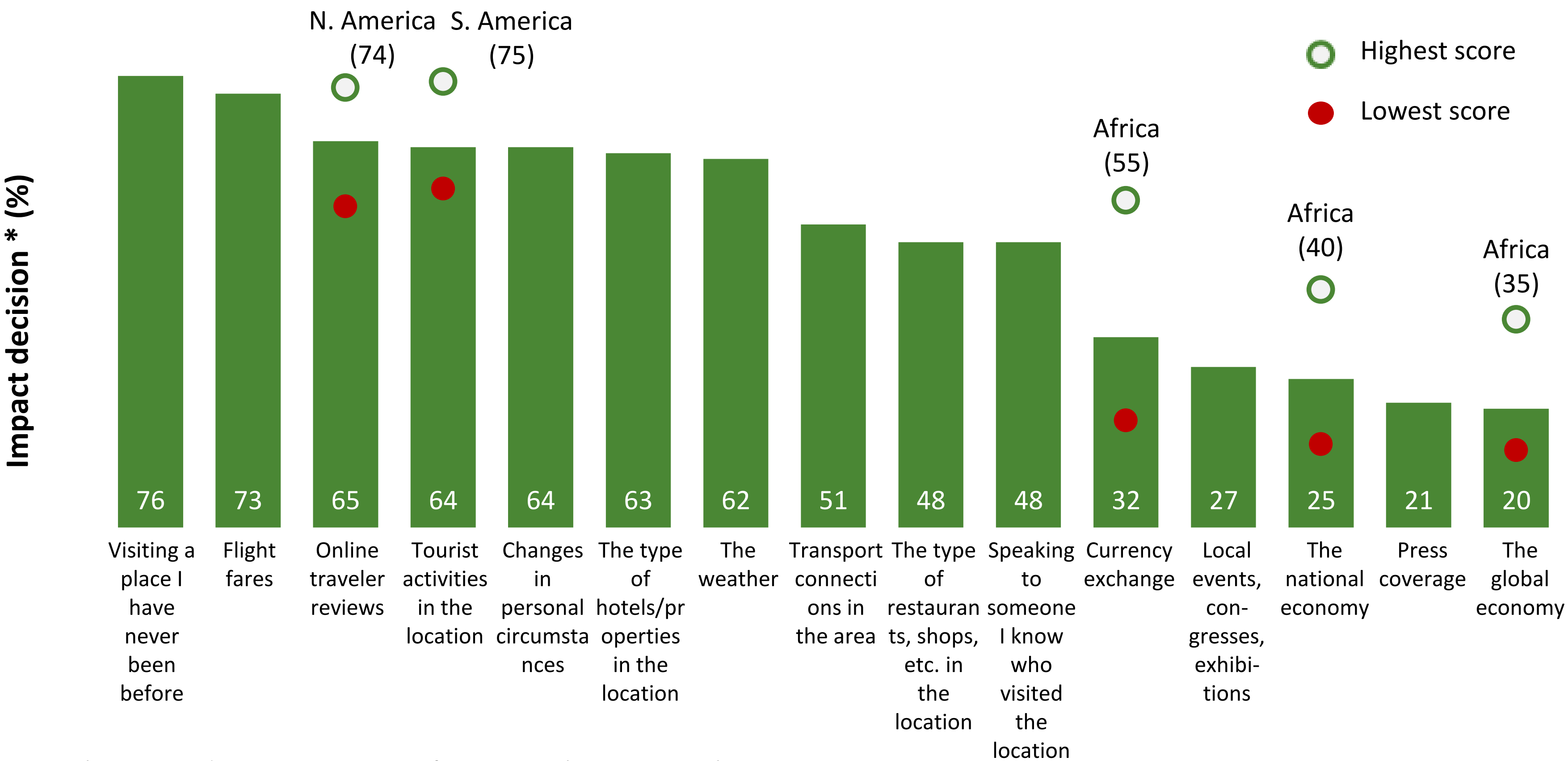
They tend to be…
- Aged 35-44 (46%)
- Travel alone (46%)
- Accommodation bookers using online (44%)

They tend to be…
- Aged 18-24 (27%)
- Travel alone (25%)
- Accommodation bookers using mobile (29%)

CQ11. How far in advance do you usually start planning and make the booking for your vacations?
Base: All consumer respondents (50637)
BQ14. How long in advance would you say the majority of the bookings in your property/properties are made?
Base: All business respondents (10370)

Factors that impact on decisions to travel to a particular destination

- The economy is having a big impact on Africans' travel decisions (Note: the majority here are South Africans).
- Online traveler reviews are third in terms of impact on destination decision.



*Impact = where respondents score 4 or 5 out of 5 points on the question scale
CQ4. Thinking generally about your vacations, which of the following do you think has an impact on your decision to travel to a particular destination? Please rate each of the following on a scale of 1 to 5, where 1 means 'it does not impact on my decision at all' and 5 means 'it has a strong impact on my decision'.
Base: All consumer respondents (50637)

Factors that impact on decisions to travel to a particular destination – by demographic

- The desire to visit a new place is most pronounced amongst millennials.
- Those traveling with families are more cost sensitive, not least because of the fares they have to pay as a group.
- 7 in 10 mobile bookers say online traveler reviews impacted their destination decision – they are the new wave of online and connected travelers.

Top 3 factors that impact decision*	It is mostly driven by…
Visiting a place I have never been before, **76%**	Millennials (82%) 18-24s (81%) Those traveling with people they don't know (82%) South Americans (81%)
Flight fares, **73%**	25-34s (77%) Those traveling with other family members/friends (76%)
Online traveler reviews, **65%**	Those who book accommodation via mobile (72%) North Americans (74%) and Middle Easterners (72%)

*Impact = where respondents score 4 or 5 out of 5 points on the question scale

CQ4. Thinking generally about your vacations, which of the following do you think has an impact on your decision to travel to a particular destination? Please rate each of the following on a scale of 1 to 5, where 1 means 'it does not impact on my decision at all' and 5 means 'it has a strong impact on my decision'.

Base: All consumer respondents (50637)

Factors that impact on decisions to travel to a particular destination – compared with Wave 2 of TripBarometer

- Flight fares have increased in importance.
- The weather and transport connections have a lower impact amongst travelers this wave.

Impact on decision to travel (Rank)	2014	W2 2013
Visiting a place I have never been before	1	N/A
Flight fares	2	4
Online traveler reviews	3	N/A
Tourist activities in the location	4	1
Changes in personal circumstances	5	N/A
The type of hotels/properties in the location	6	N/A
The weather	7	2
Transport connections in the area	8	3
The type of restaurants, shops, etc. in the location	9	N/A
Speaking to someone I know who visited the location	10	N/A
Currency exchange	11	5
Local events, congresses, exhibitions	12	8
The national economy	13	6
Press coverage	14	N/A
The global economy	15	7

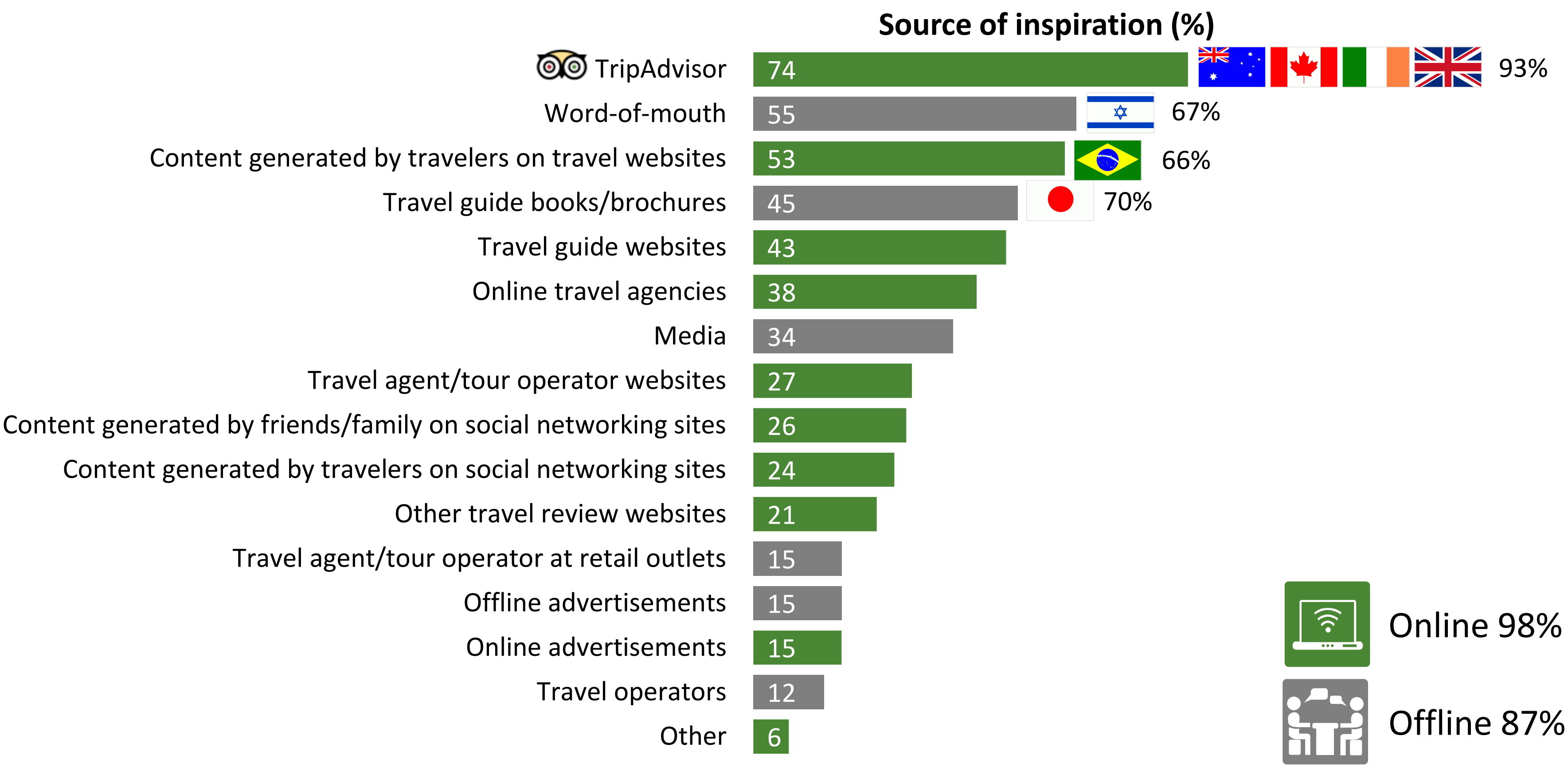
= ↑ In rank since W2 2013

= ↓ In rank since W2 2013

NB: Different question wording /scale used between waves so rank shown. Wave 2 (W2) 2013 re-ranked according to 2014 attribute list.
2014: CQ4. Thinking generally about your vacations, which of the following do you think has an impact on your decision to travel to a particular destination? Please rate each of the following on a scale of 1 to 5, where 1 means 'it does not impact on my decision at all' and 5 means 'it has a strong impact on my decision'.
W2 2013: Q18. And looking at 2014, which of the following do you think <u>will have</u> a positive or negative impact on your decision to travel to a particular destination? Positive/ negative/ no impact
Base: 2014: All consumer respondents (50637), W2 2013: All consumer respondents (19687)

Source of inspiration

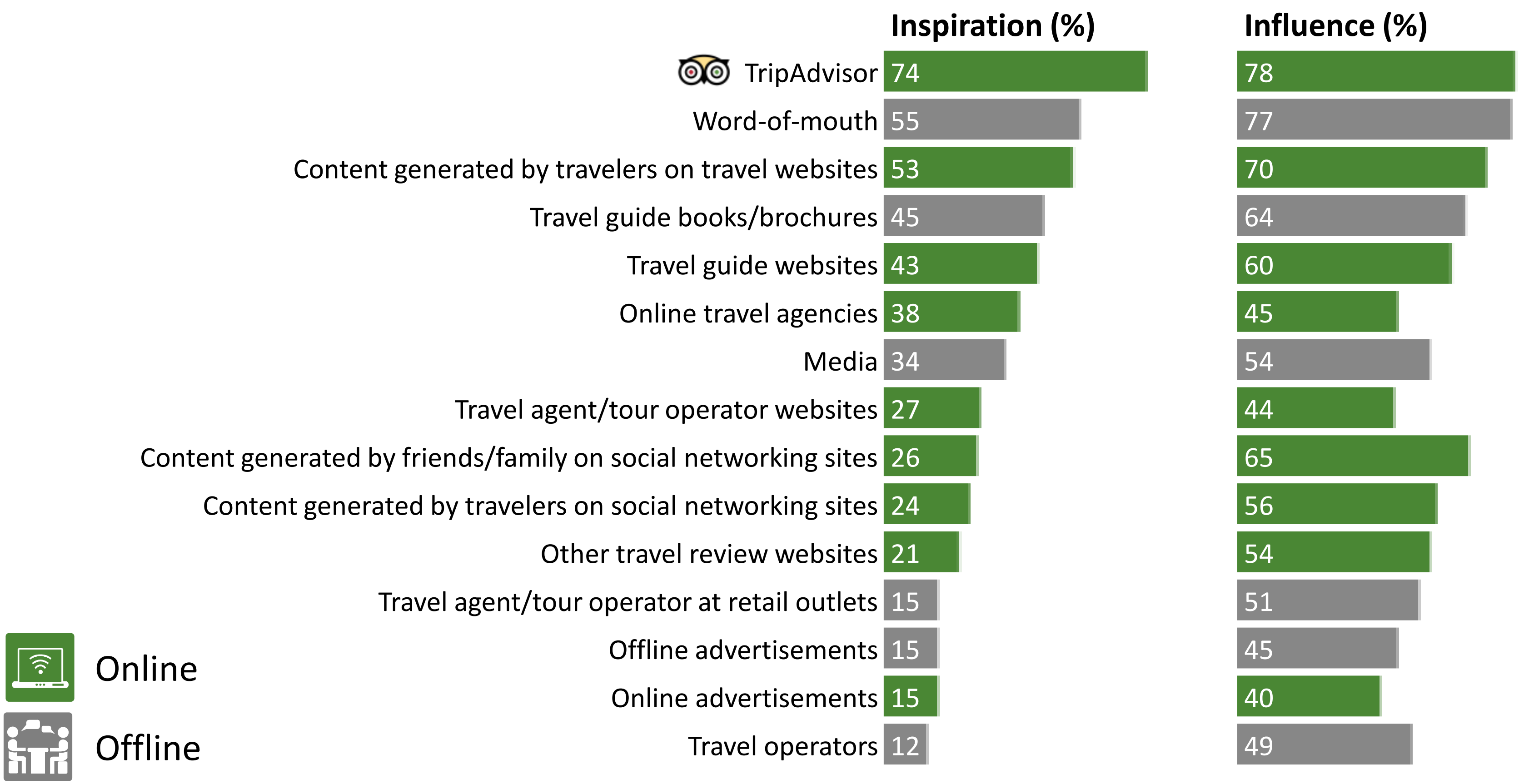
- Nearly all travelers go online for vacation ideas and inspiration, mostly on TripAdvisor.
- Offline is still important, especially word-of-mouth and travel guide books.



CQ12. Which of the following sources of information do you use to gather ideas and inspiration for your vacations? Please select all that apply.
Base: All consumer respondents (50637)

Source of inspiration and level of influence

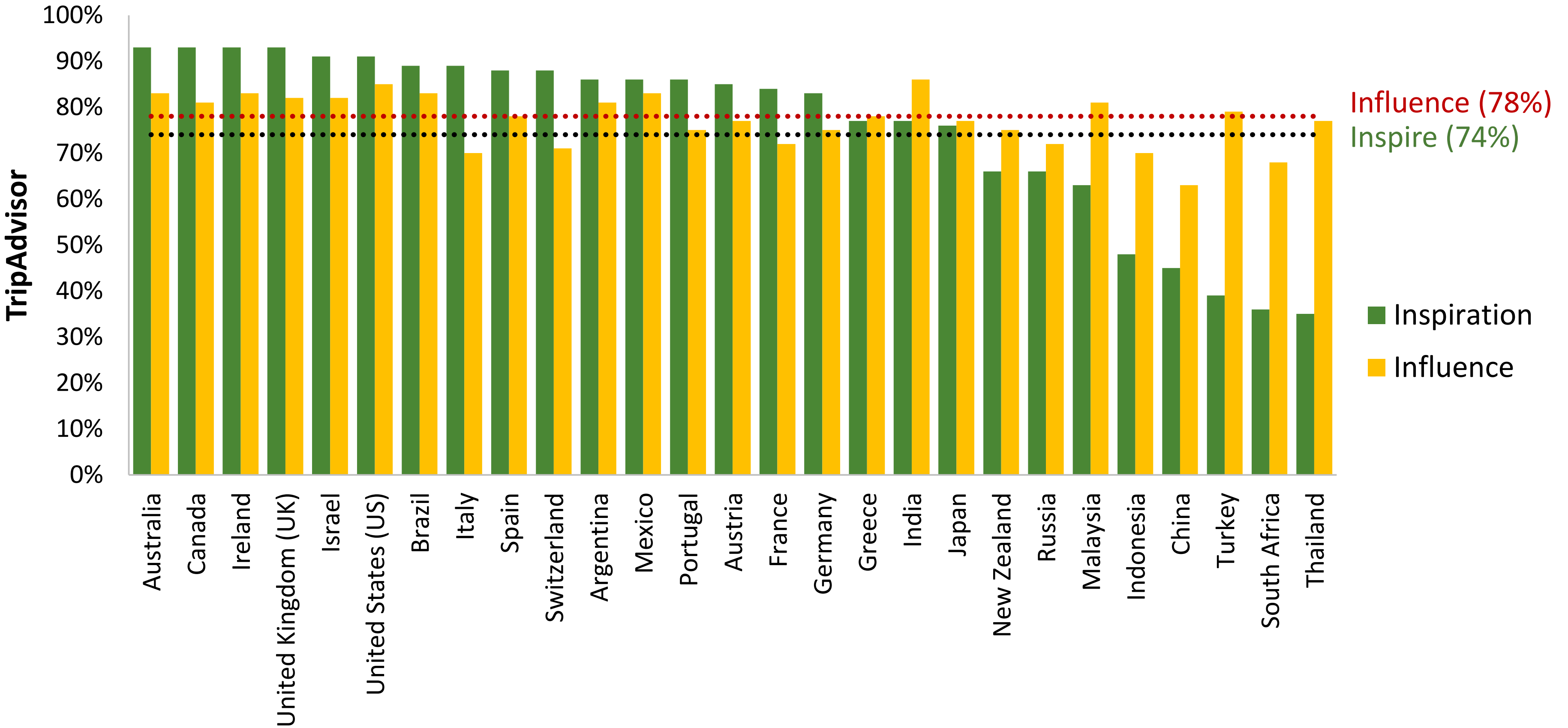
- TripAdvisor, word-of-mouth and other user-generated travel websites are the top 3 sources.
- Content generated by friends or family on social networking sites is considered less inspirational, but is influential when used.



CQ12. Which of the following sources of information do you use to gather ideas and inspiration for your vacations? Please select all that apply.
CQ13. To what extent do each of the following sources of information influence you when you are gathering ideas and inspiration for your vacations? Please rate on a scale of 1 to 5 where 1 means 'does not influence me at all' and 5 means 'influences me a great deal'.
Base: All consumer respondents/ All consumers who cited source of influence (50637)

TripAdvisor as a source of inspiration and its level of influence

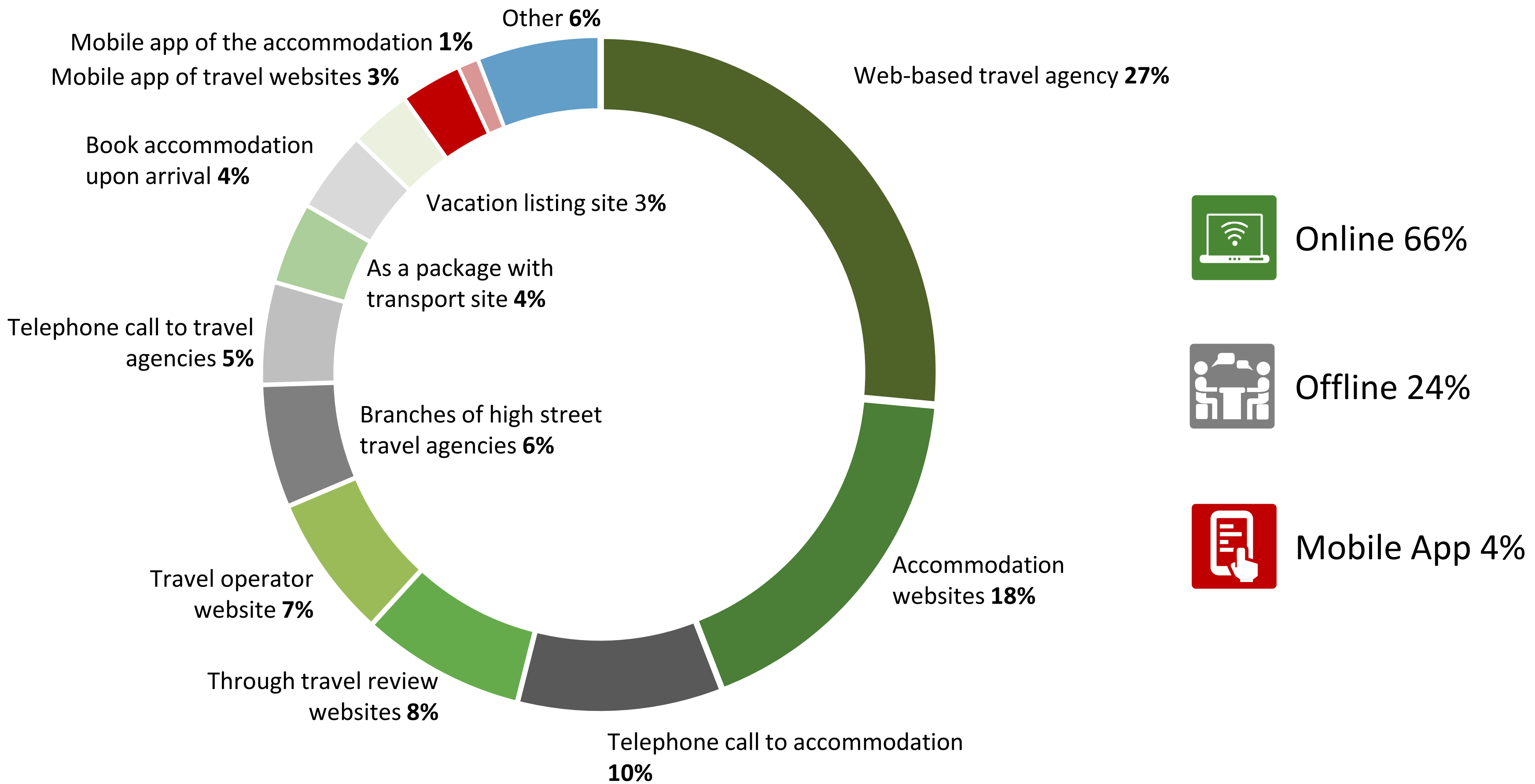
- When used as a source of inspiration, TripAdvisor is seen as influential across all countries.



CQ12. Which of the following sources of information do you use to gather ideas and inspiration for your vacations? Please select all that apply.
CQ13. To what extent does TripAdvisor influence you when you are gathering ideas and inspiration for your vacations? Please rate on a scale of 1 to 5 where 1 means 'does not influence me at all' and 5 means 'influences me a great deal'.
Base: All consumer respondents (50637) / All consumers who cited TripAdvisor as a source of influence (42738)

Booking channels

- Two-thirds of travelers booked their last trip online, with web-based travel agencies being the most popular booking method.
- 32% of travelers booked their accommodation directly.

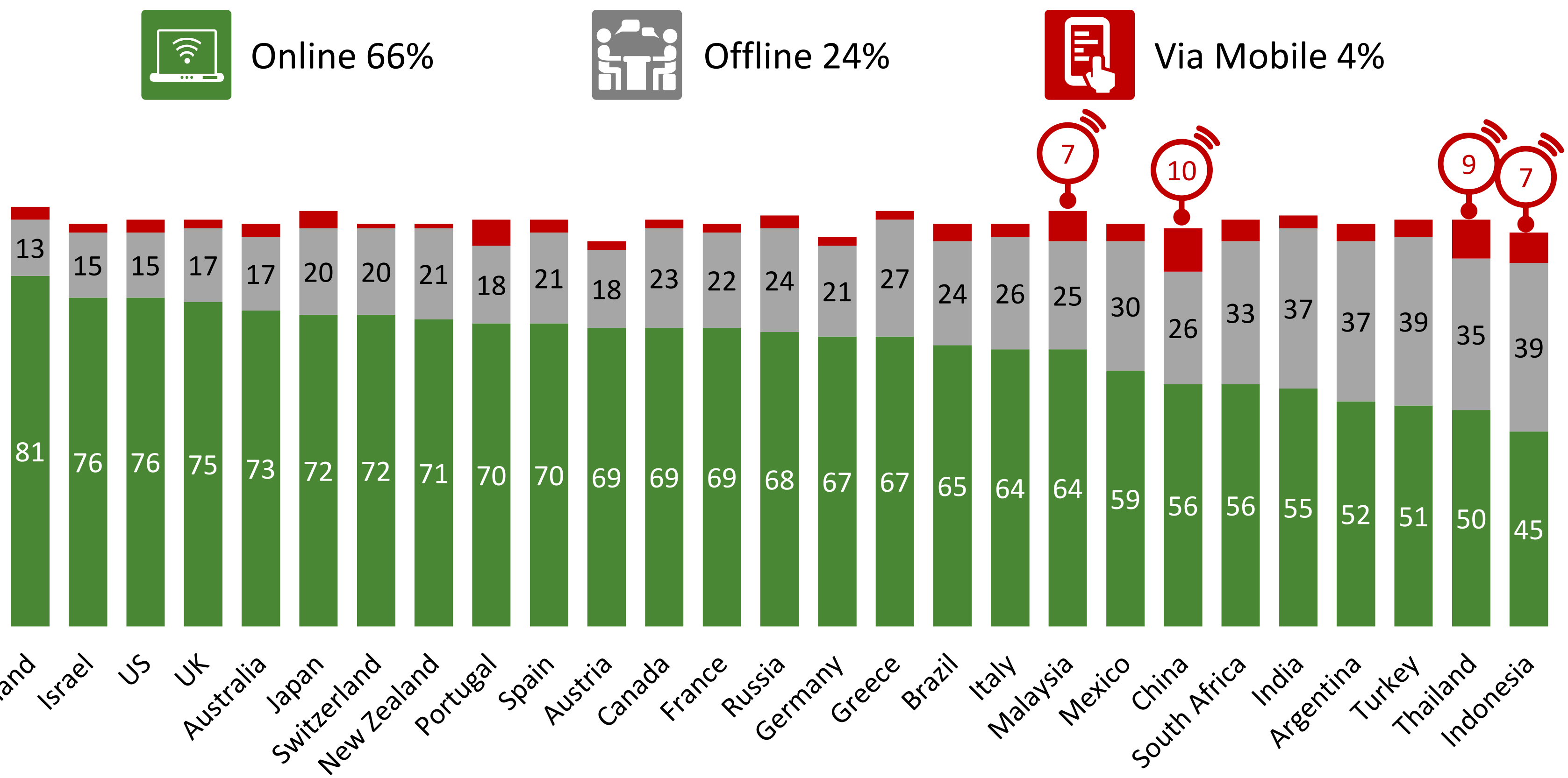


CQ17. How did you book the accommodation for your last trip?
Base: All consumer respondents (50637)

Booking channels – by countries

- Asian travelers are more likely to ‘leapfrog’ to using mobile from offline methods of booking – skipping online altogether. Overall 6% of Asians booked via mobile, 27% booked offline.

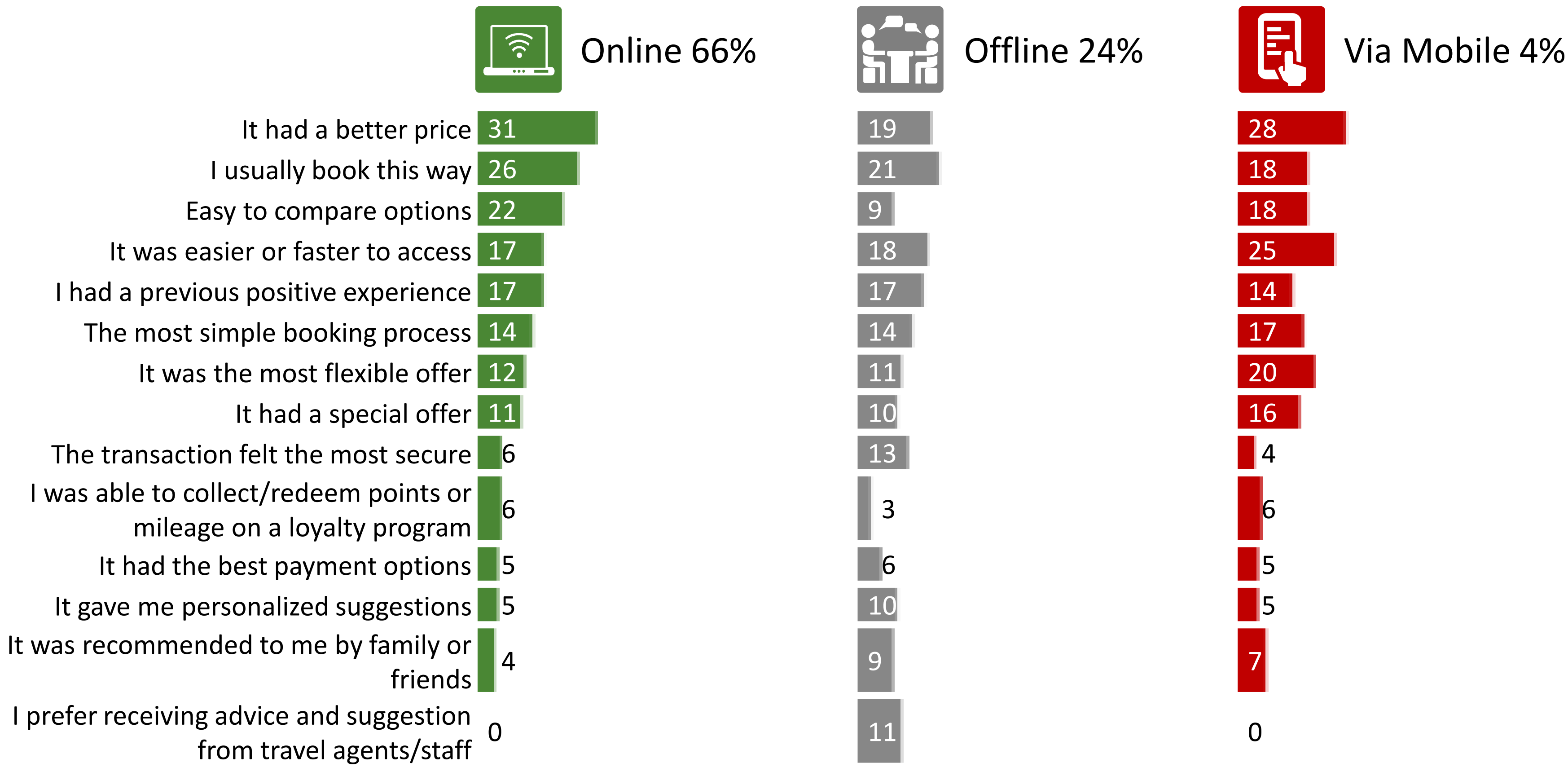
Booking channels (%)



CQ17. How did you book the accommodation for your last trip?
Base: All consumer respondents (50637)

Reasons for booking in this way

- Price and habit are the top reasons for booking regardless of channel.
- Online is perceived as having the advantage of ease of comparison, while mobile is deemed easier or faster to access.



CQ18. What was the main reason you booked this way? Please select up to <u>two</u> main reasons.
Base: All consumer respondents who booked online (33319), offline (12211), via mobile app (2053)

Factors impacting decisions when booking accommodation

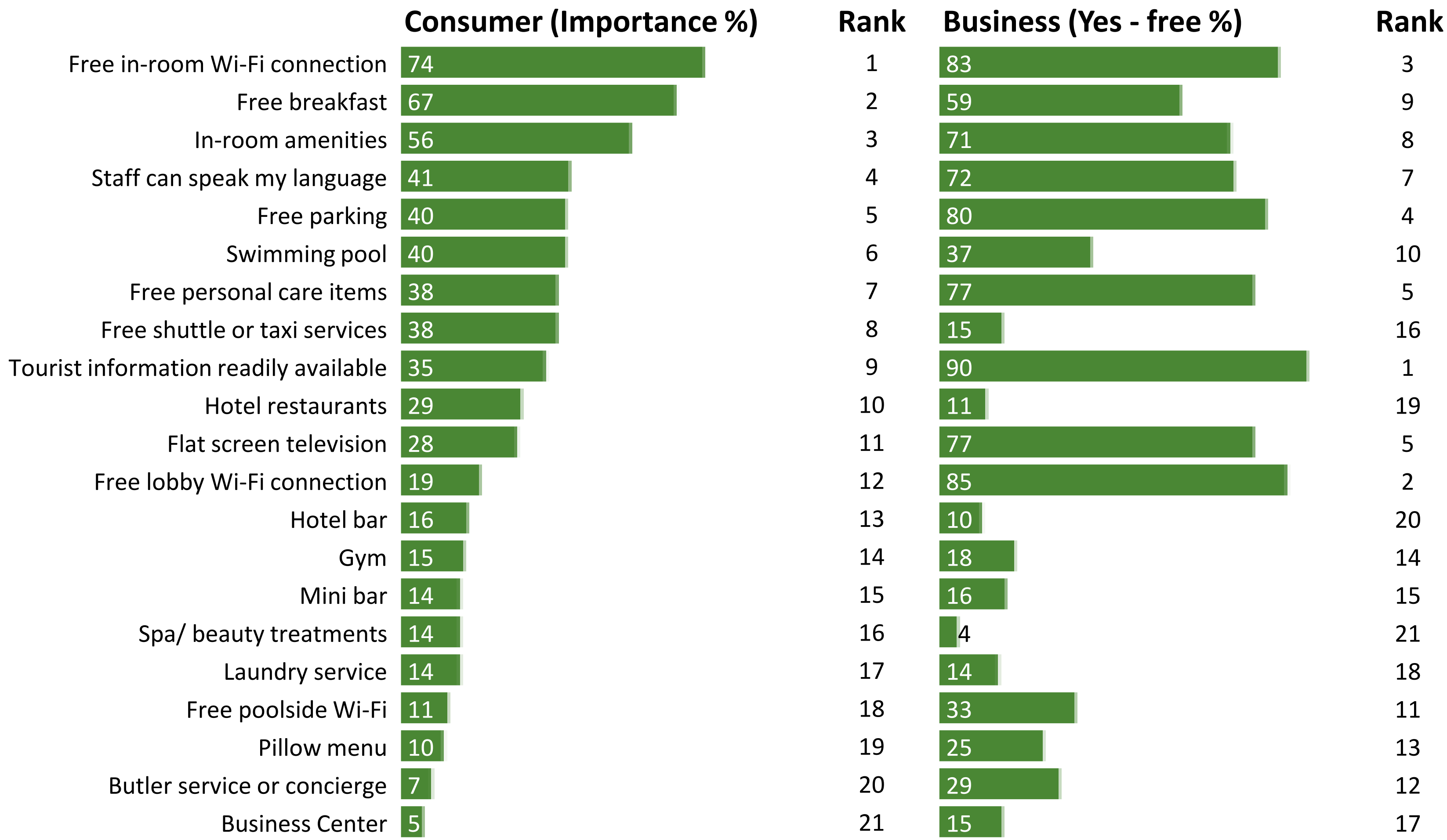
- Price and online reviews are perceived as highly important by both travelers and businesses. However, businesses underestimate the importance of proximity to transport options.

	Consumer (Top 2 boxes %)	Rank	Business (Yes %)	Rank
Price	95	1	50	2
Online reviews and opinions from others who have stayed there	89	2	64	1
Previous experience	86	3	33	4
Proximity to key attractions	85	4	28	5
Proximity to transport options	82	5	7	8
Travel distance or time	79	6	N/A	N/A
Recommendations from friends and family	78	7	45	3
Accommodation amenities	77	8	25	6
Proximity to many dining options	71	9	5	9
Proximity to beach/waterfront	69	10	N/A	N/A
Eco-friendly and sustainable travel	52	11	N/A	N/A
Brand name of the accommodation	45	12	8	7
Special offers	44	13	4	10
Loyalty program	43	14	3	12
Other	N/A	N/A	4	10

CQ16. Thinking generally about your vacations, how important are each of the following in your final decision to book your accommodation?
Base: All consumer respondents (50637)
BQ15. Which three of the following, if any, would you say has the biggest impact on travelers' decision to book your accommodation?
Base: All business respondents (10370)

Impact of amenities on booking decisions

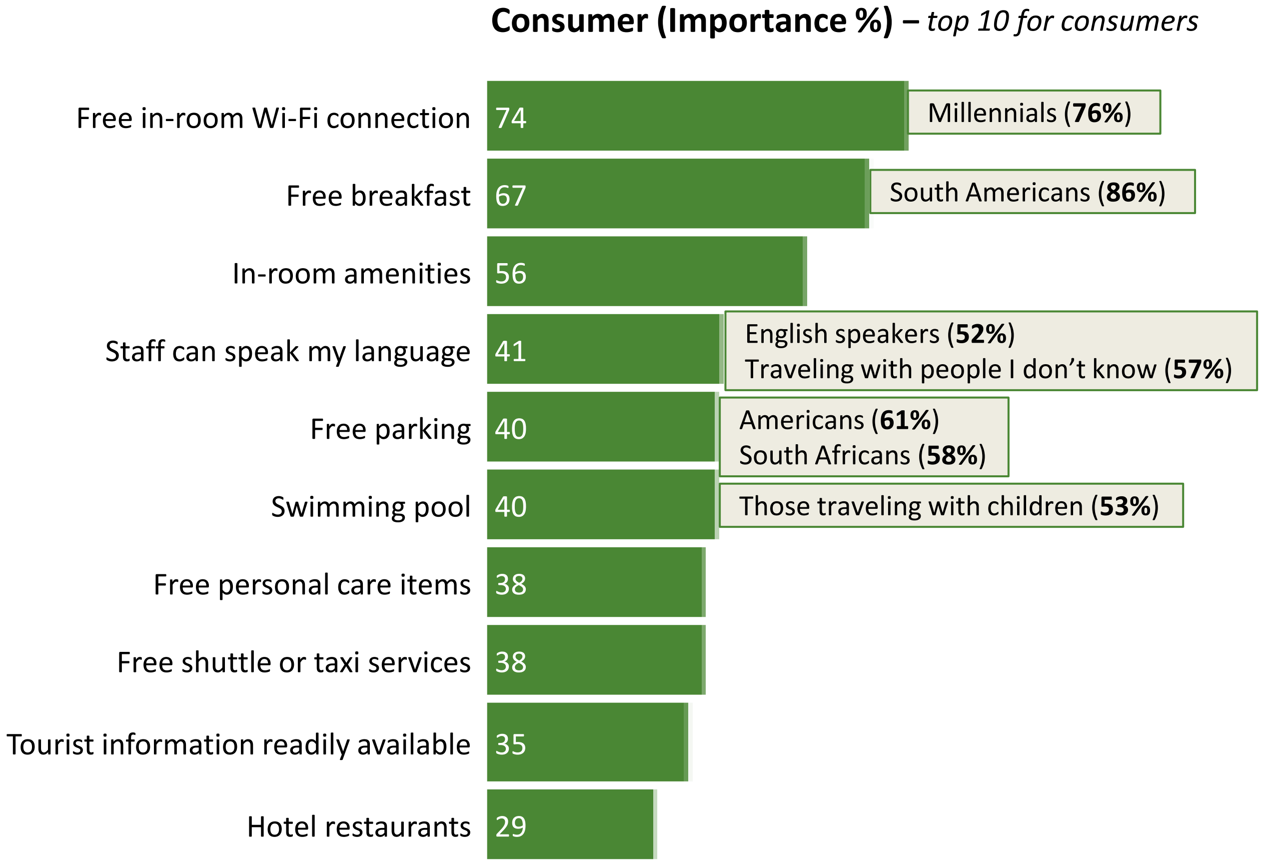
- 77% of travelers stated that an accommodation's amenities are important when booking.
- However, there is some mismatch between consumer needs and what businesses offer.



CQ20. Which of the following amenities are important to your decision making for accommodation?
BQ7. Which of the following amenities or services are you currently offering?
Base: All consumer respondents (50637)/ All business respondents (10370)

Impact of amenities on booking decisions

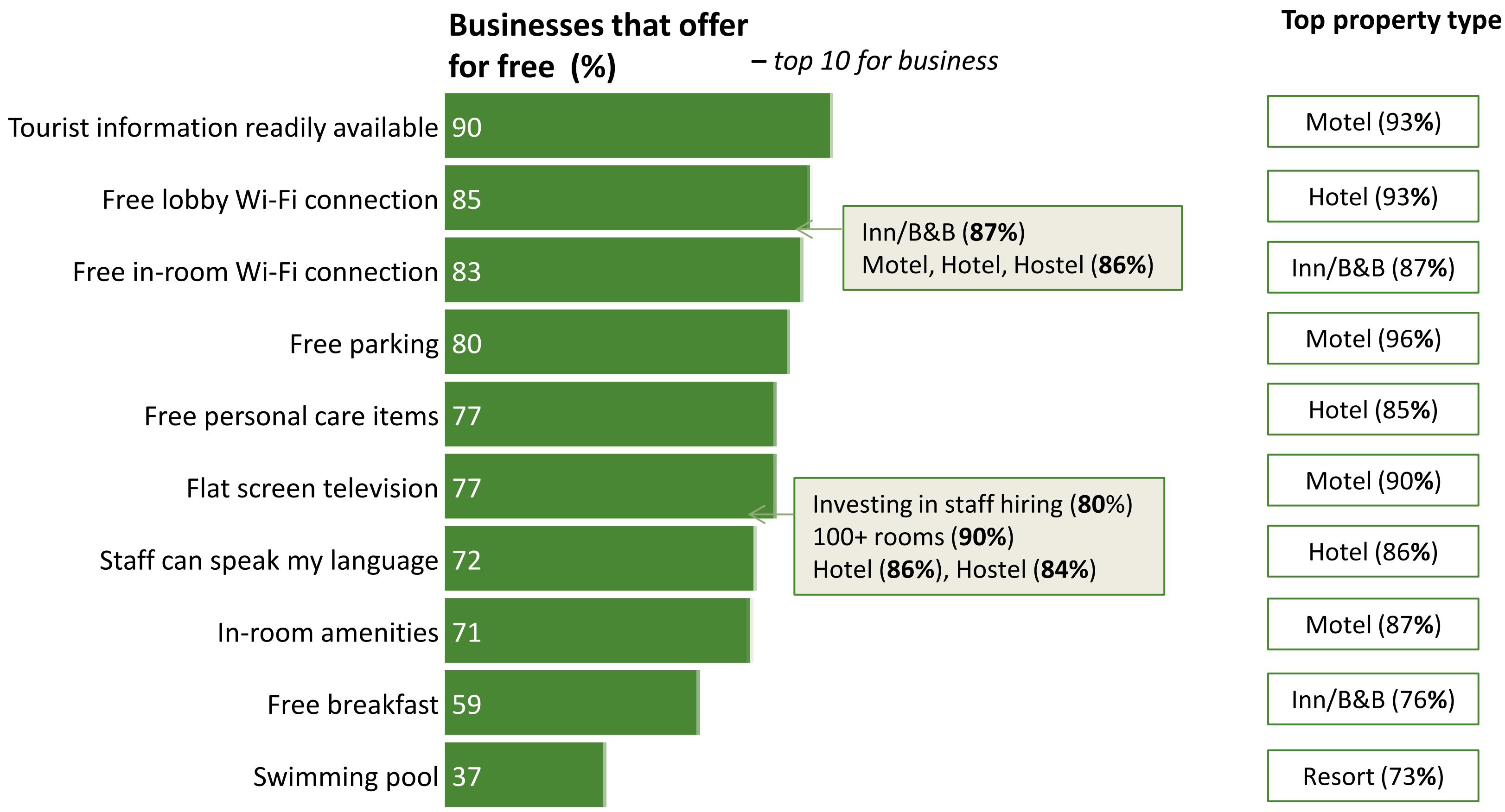
- English speakers and those traveling with people they don't know are more likely than other travelers to want hotels to have staff who can speak their language.



CQ20. Which of the following amenities are important to your decision making for accommodation?
Base: All consumer respondents (50637)
BQ7. Which of the following amenities or services are you currently offering?
Base: All business respondents (10370)

Impact of amenities on booking decisions

- Despite being perceived as budget accommodation, hostels are meeting many traveler demands, especially in terms of offering free in-room Wi-Fi and having staff that speak foreign languages.



CQ20. Which of the following amenities are important to your decision making for accommodation?
Base: All consumer respondents (50637)
BQ7. Which of the following amenities or services are you currently offering?
Base: All business respondents (10370)

Travel economy

Consumer Optimism

- Globally, the number of trips taken is estimated to increase. The proportion of travelers planning domestic leisure trips is on the up, with international leisure trips also set to rise. Furthermore, travelers estimate they will be increasing their travel spend in 2014.
- ‘Saving up’ and ‘feeling like I deserve it’ are the main reasons consumers will spend more in 2014. Accommodation and transport are the areas where consumers will make savings.
- The impact of currency exchange is polarized, with the same proportion saying it will have an effect as those who will not change their plans because of it. If travelers are changing plans, they are most likely to research more to find the best possible price.

Key findings

Increased optimism

Although the majority of travelers took staycations in the last year, their horizons are expanding as they look to reduce the number of domestic trips they take in 2014 but increase the number of international leisure trips. Millennials, the group most likely to want to visit a place they have never been before, are largely driving this increase, as they expect to increase international travel by 13% in 2014.

There is also an estimated increase in the average traveler spend in 2014, with South Africans seeing the biggest increase (+30%). Asians are also raising their travel budgets, many owing to pay rises or promotions. However, it is a more mixed picture in Europe, with some countries still feeling the squeeze from the recession.

Where travel spend will increase, this is often attributed to having saved up for it. Millennials are the most likely to save in order to travel, whilst retirees are the least likely. Travelers are also willing to spend more because they feel they deserve a holiday.

Travelers are willing to make sacrifices in other areas of their lives to ensure they can take a vacation, with nights out and meals out the first to be cut. Retirees are the least likely to make any kind of sacrifice. Brazilians are the most likely to sacrifice spend on gifts, whilst three in ten Russians would cut charity donations. Germans are the most likely not to sacrifice anything.

Travelers who will be spending less are more likely to look for cheaper vacation alternatives, rather than cut the amount or the length of the trips they take. This suggests that this group are becoming more frugal and resourceful.

Polarized perceptions on currency

The impact of currency fluctuations on travel behaviour is polarized. Nearly half say that this has had an impact on their vacation planning. Higher proportions of South Americans and Asians are affected by currency exchange – reflecting their more volatile currencies – whereas Europeans are less impacted.

Of those who have changed their plans in response to currency fluctuations, the majority are still taking a vacation. Again, they are doing more research to find the best price. The average traveler is a ‘bargain hunter’, so in times of currency fluctuations special offers could have a bigger impact.

Overall, retirees are the least likely to be affected by economic factors, perhaps typical of this life stage; correspondingly, they are the least willing to choose cheaper transport or accommodations and instead opt to take fewer long trips.

Proportion of travelers taking trips

- The largest expected increase is likely to come from millennials, as they are planning to take more international leisure trips in 2014.
- The number of domestic trips taken is consistent across life stages.

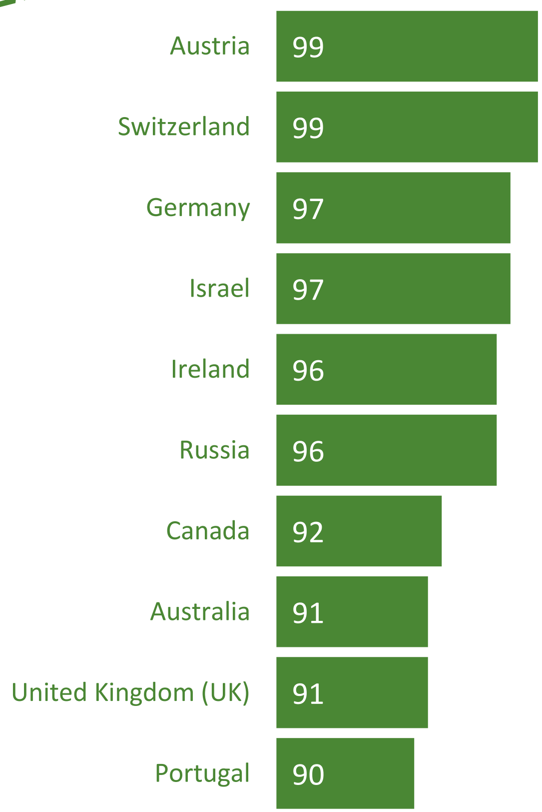
	International Leisure		Domestic Leisure	
	2014	*2013*	**2014**	*2013*
Global Average	**77%**	*65%*	**90%**	*87%*
Millennials	**76%**	*61%*	**91%**	*88%*
Families	**79%**	*67%*	**91%**	*88%*
Retirees	**84%**	*75%*	**91%**	*86%*

CQ5. How many trips where you have stayed away for one night or more have you taken in the last 12 months?
CQ6. How many trips where you will stay away for one night or more do you expect to take in the next 12 months?
Base: All consumer respondents (50637)

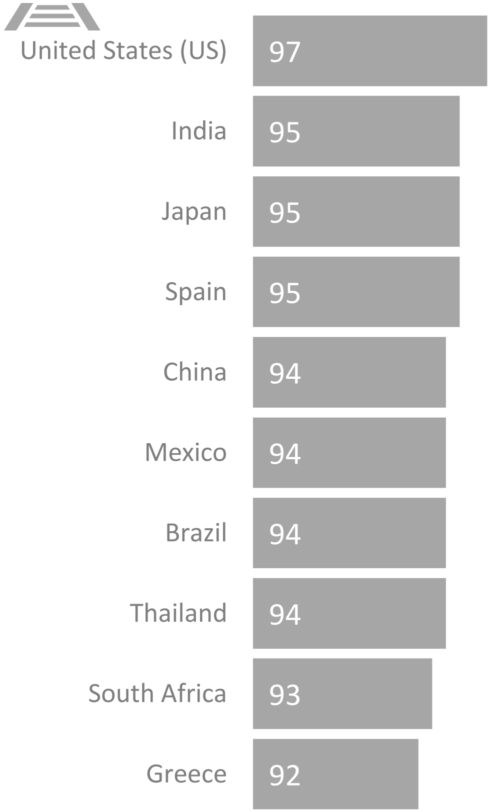
Proportion of travelers taking trips in 2014 – by countries

- Travelers from Austria and Switzerland are the most likely to take international leisure trips in 2014; Americans are most likely to take domestic leisure trips.

International Leisure % *(Top 10)*



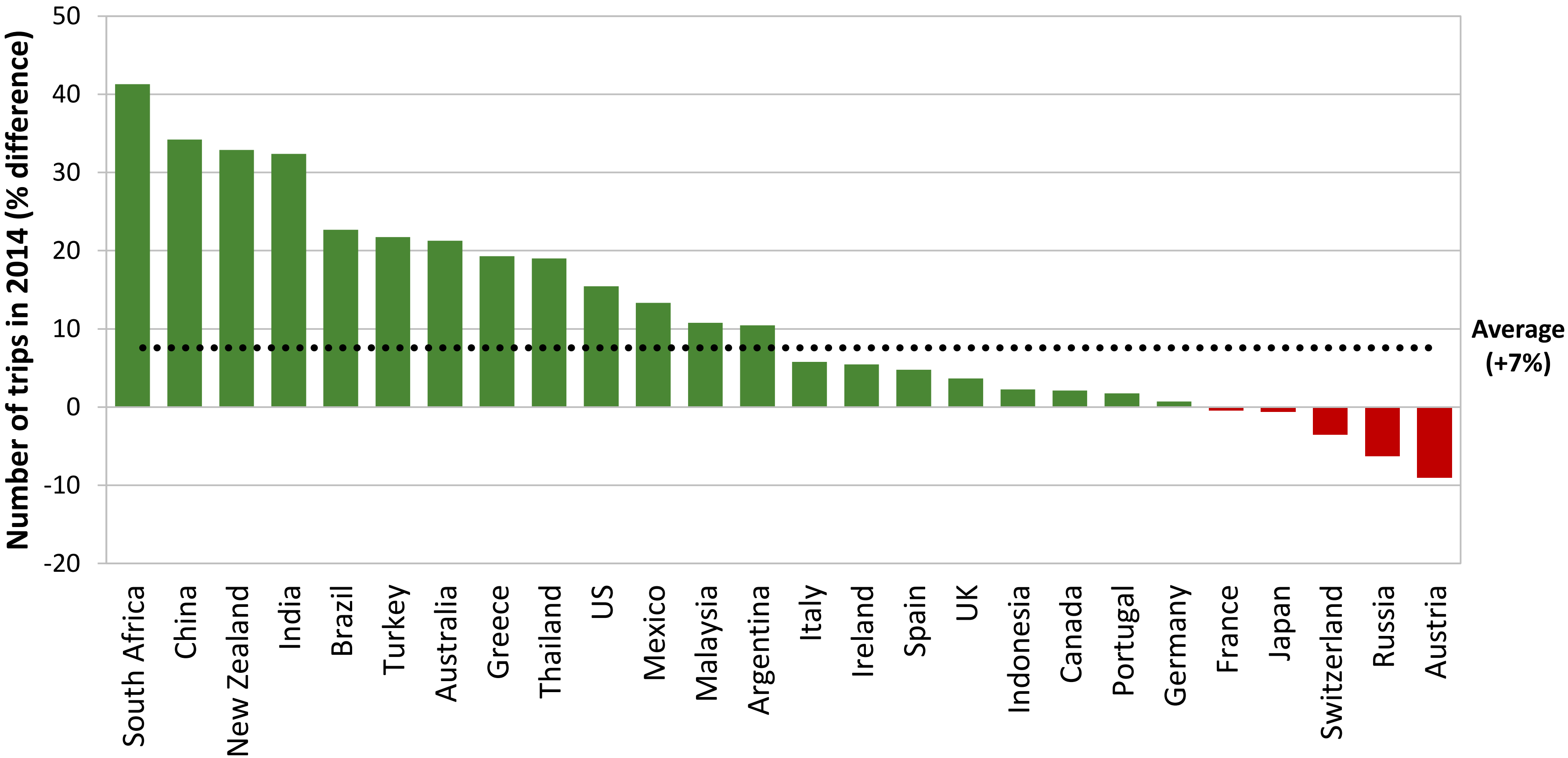
Domestic Leisure % *(Top 10)*



CQ6. How many trips where you will stay away for one night or more do you expect to take in the next 12 months?
Base: All consumer respondents (50637)

Change in the number of international trips to be taken in the next 12 months

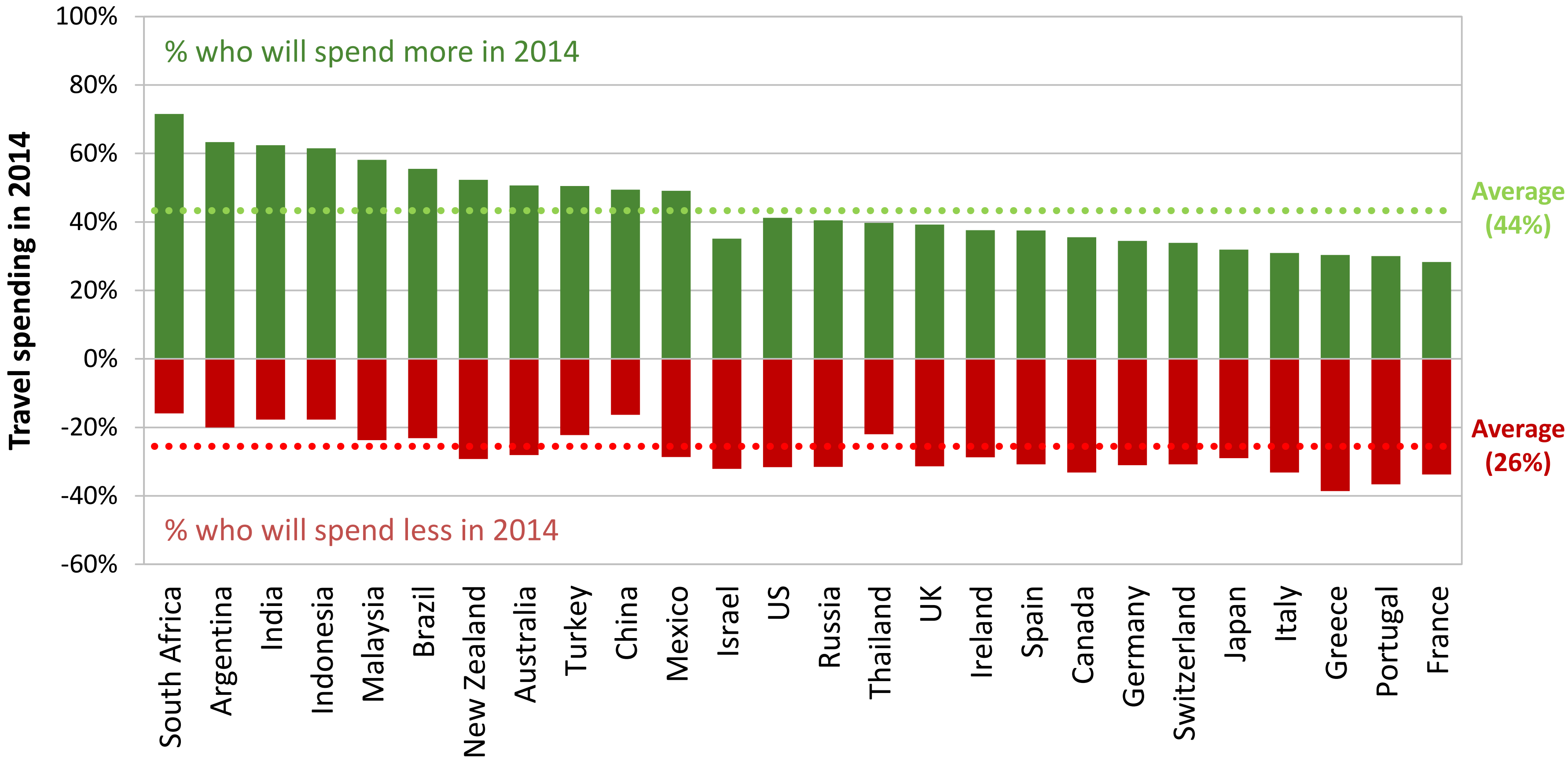
- Globally, international leisure trips are set to increrase in the next 12 months.
- South Africans, Chinese, New Zealanders and Indians lead this trend.



CQ5. How many trips where you have stayed away for one night or more have you taken in the last 12 months?
CQ6. How many trips where you will stay away for one night or more do you expect to take in the next 12 months?
Base: All consumer respondents (50637)

Annual travel spend by travelers

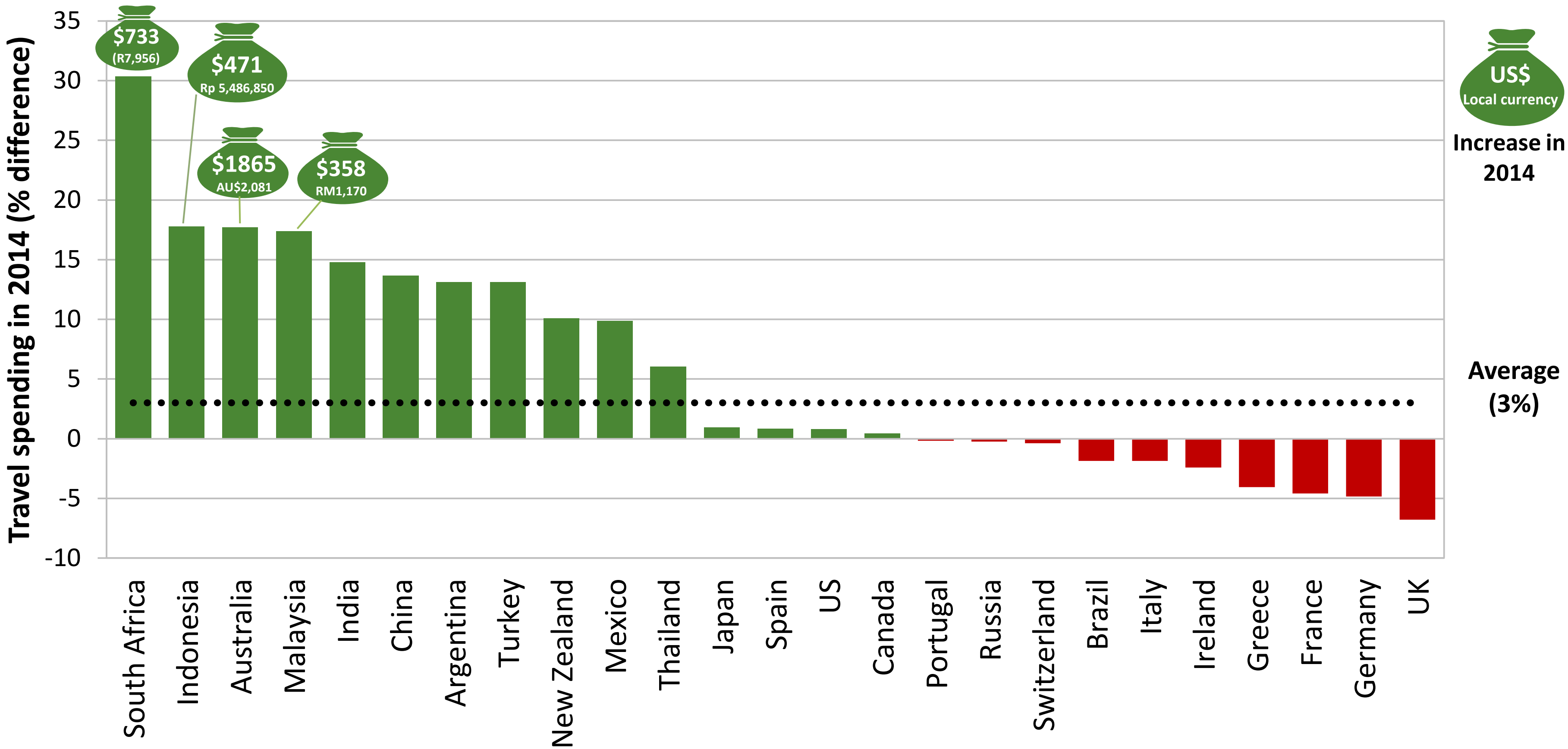
- Globally, travelers say they are increasing travel spend in 2014.
- Only France, Greece, Italy and Portugal are bucking this trend, with a greater proportion of travelers spending less than more.



CQ21. How much did you spend in total on your vacations in the last 12 months? Please consider all spending including transport, accommodation, food and tourist attractions in your answer.
CQ23. Thinking about your total spending in the next 12 months, how much do you intend to spend on your vacations? Please consider all spending including transport, accommodation, food, tourist attractions in your answer.
Base: All consumer respondents (22035)

Annual travel spend by differences in amount

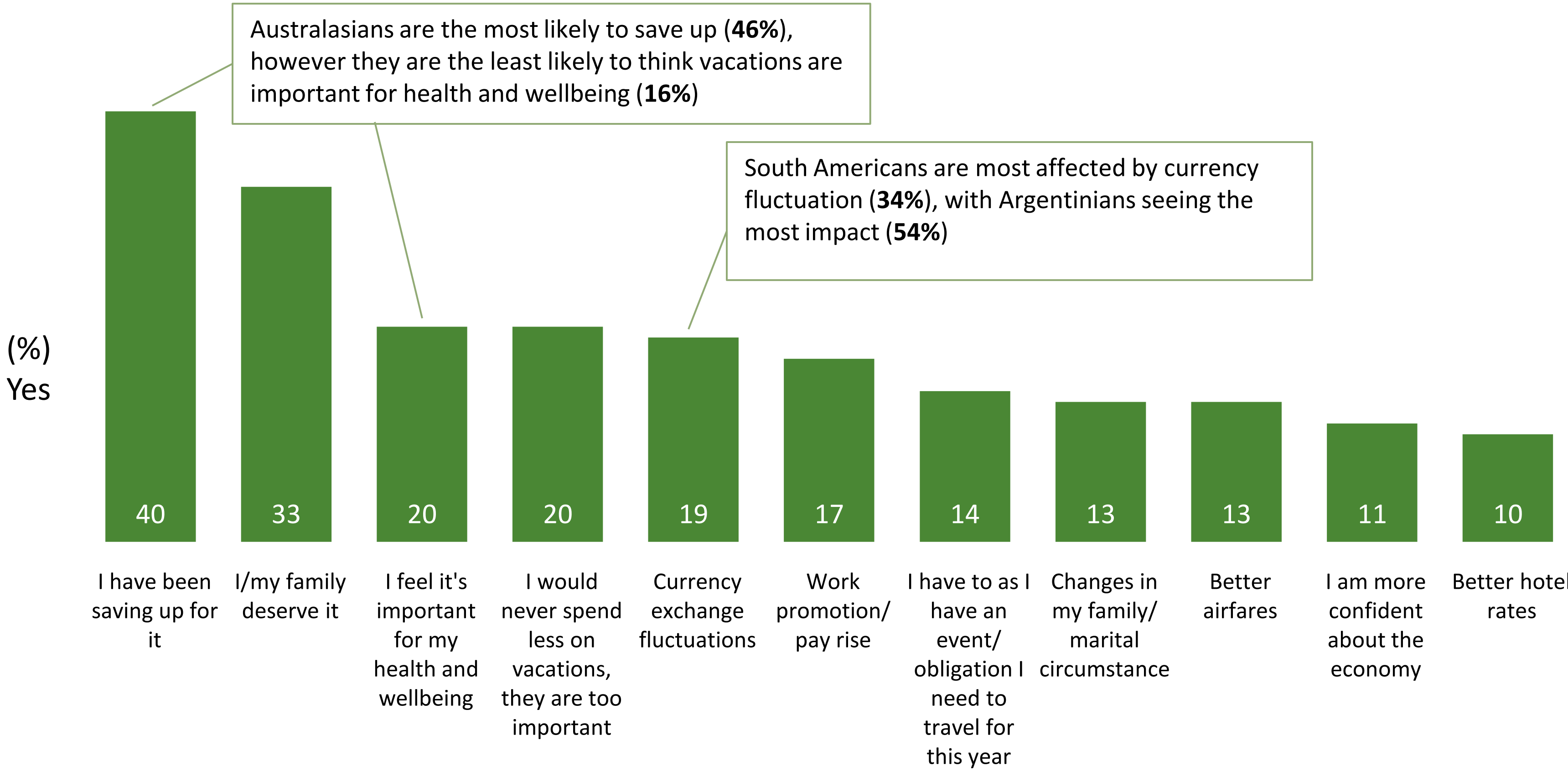
- When we look at the change in travel spend for 2014 overall, South African travelers are most likely to spend more on travel (+30%), whilst the British are planning to spending less (-7%).
- Asians are also increasing their travel budgets.



CQ21. How much did you spend in total on your vacations in the last 12 months? Please consider all spending including transport, accommodation, food and tourist attractions in your answer.
CQ23. Thinking about your total spending in the next 12 months, how much do you intend to spend on your vacations? Please consider all spending including transport, accommodation, food, tourist attractions in your answer.
Base: All consumer respondents (22035)

Reasons for spending more in the next 12 months

- ‘Saving up’ and ‘feeling like I deserve a holiday’ are the main reasons for consumers spending more on travel in the coming year.
- South Americans are the most affected by currency fluctuations.



CQ24. Why will you spend more on your vacations in the next 12 months than the previous 12 months?
Base: All consumer respondents who will spend more on vacations in next 12 months than previous 12 months (8639)

Reasons for spending more in the next 12 months

- Millenials are the most likely to save up to ensure they have a bigger budget for travel, whilst families are the most likely to feel they deserve a vacation.

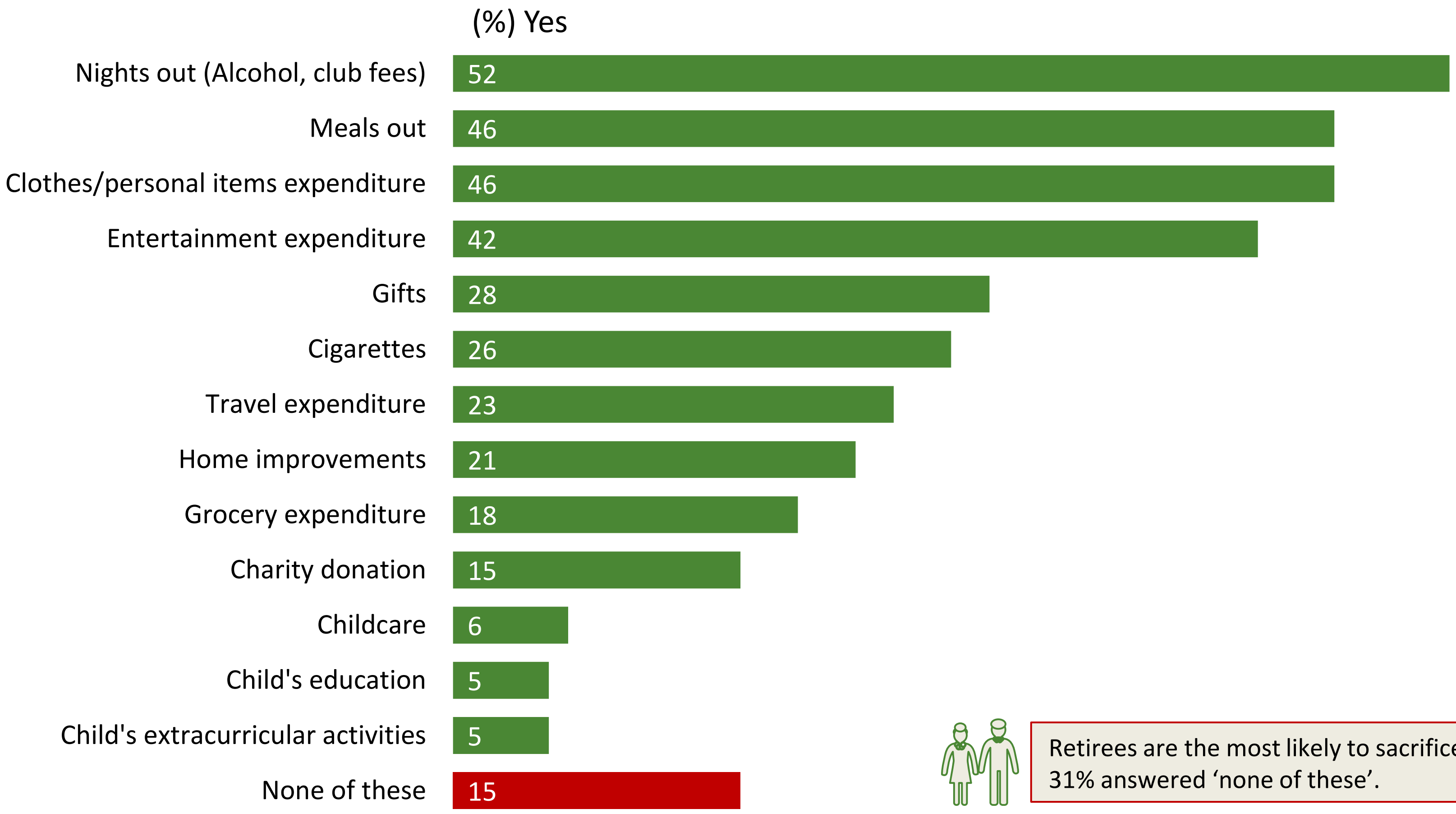
Most likely to say…

40% *'I have been saving up for it'*	**33%** *'I/my family deserve it'*	**20%** *'Important for my health and wellbeing'*	**20%** *'I would never spend less on travel'*	**19%** *'Currency exchange fluctuations'*
Females (45%) Those booked by mobile app (47%) Millenials (46%) are more likely to say this than retirees (29%)	Traveling with their children (53%) Families (40%)	65+ (28%) Traveling with people they don't know (29%) Divorced/ separated/ widowed (27%)	Those who travel alone (34%) 45-54s (27%)	Traveling with people they don't know (28%) Traveling alone (25%) 45-54s (27%)
Highest Thailand **52%**	Thailand **48%**	Thailand **45%**	China **57%**	Argentina **54%**
Japan **26%** **Lowest**	Japan **11%**	New Zealand **12%**	New Zealand **4%**	Italy **2%**

CQ24. Why will you spend more on your vacations in the next 12 months than the previous 12 months?
Base: All consumer respondents who will spend more on vacations in next 12 months than previous 12 months (8639)

Sacrifices made to protect travel budget

- Nights and meals out are the most likely aspects to be sacrificed in order to protect a travel budget.

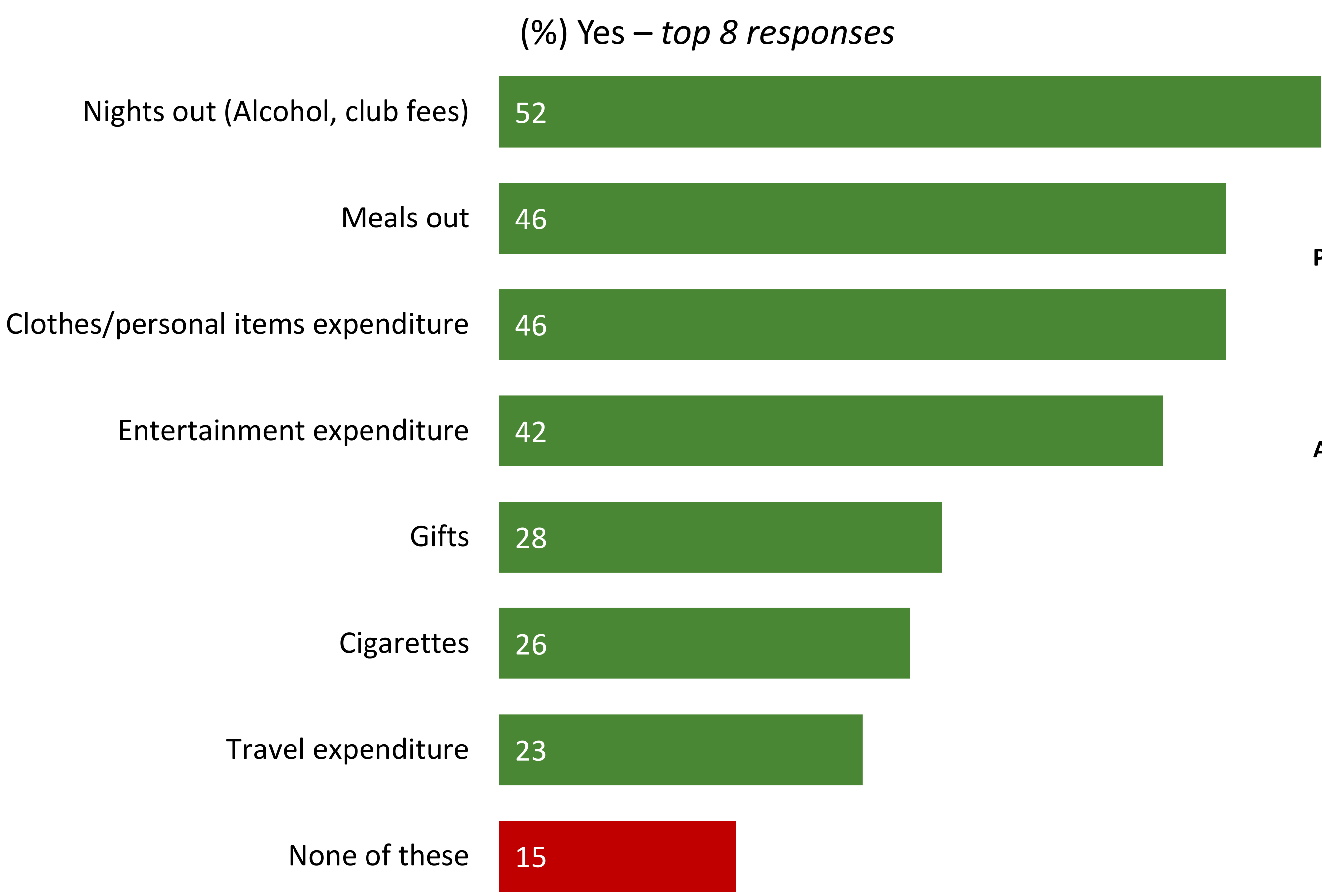


Retirees are the most likely to sacrifice nothing – 31% answered 'none of these'.

CQ25. What would you be willing to sacrifice to have a vacation/ more vacations/ a better vacation?
Base: All consumer respondents (50637)

Sacrifices made to protect travel budget

- Greek travelers are the most likely to sacrifice nights out and clothes expenditure, whilst the Japanese are least likely to give up nights out, gifts and cigarettes.

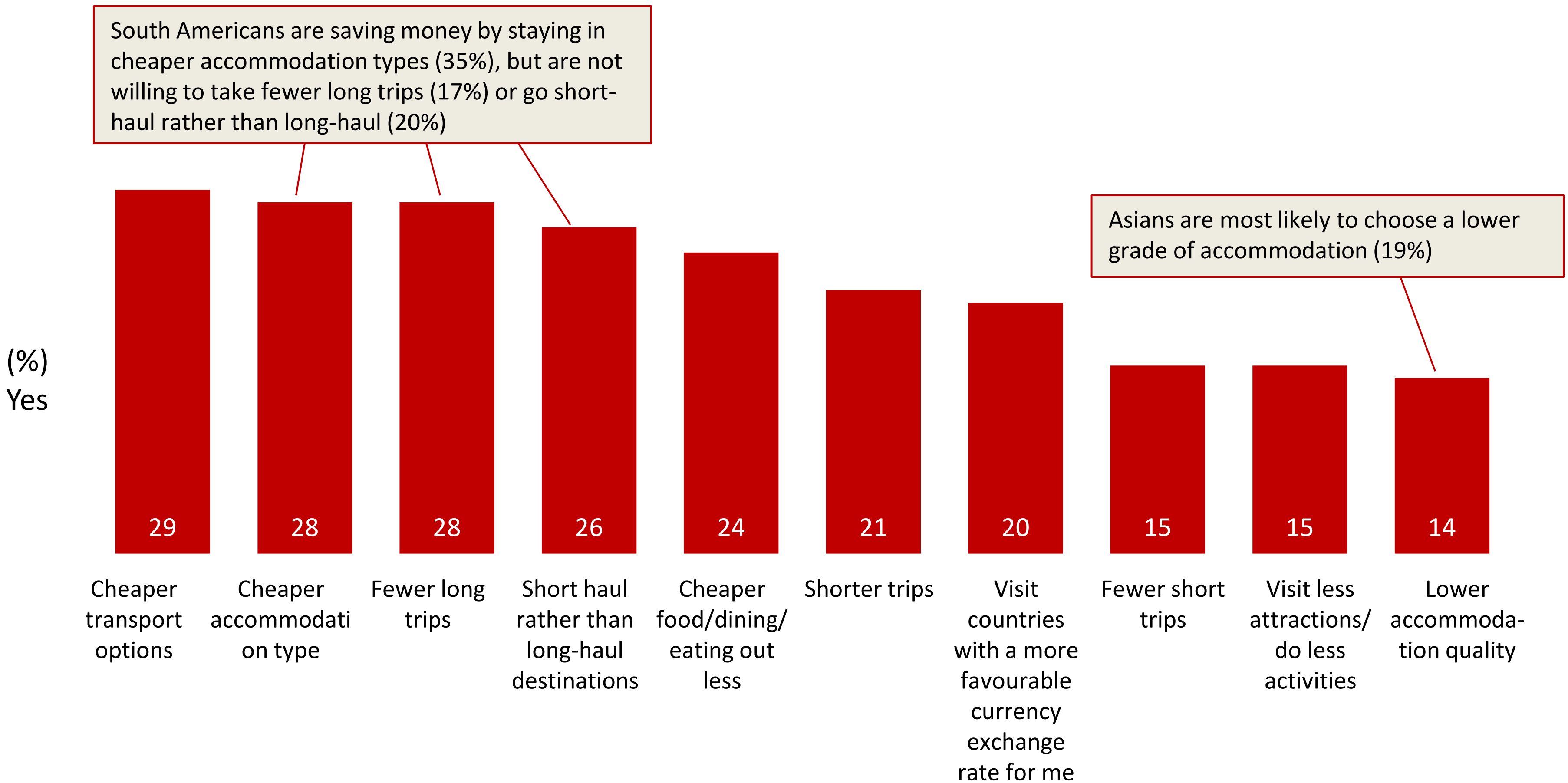


Highest	Lowest
Greece = 66%	**Japan** = 34%
Portugal = 60%	**India =** 32%
Greece = 57%	**India** = 36%
Australia= 54%	**France** = 32%
Brazil = 46%	**Japan=** 12%
Russia = 40%	**Japan** = 10%
Israel = 33%	**Switzerland** = 16%
Germany = 27%	**S. Africa** = 6%

CQ25. What would you be willing to sacrifice to have a vacation/more vacations/a better vacation?
Base: All consumer respondents (50637)

Reasons for spending less in the next 12 months

- Nearly three in ten consumers will be spending less on travel accommodation and transport in the next 12 months.



CQ27. On which aspects of your vacations will you spend less in the next 12 months than in the previous 12 months?
Base: All consumer respondents who will spend less on vacations in next 12 months than previous 12 months (6441)

Reasons for spending less in the next 12 months

- Retirees are the least likely to say they will cut back on transport or accommodation options, however, those aged 65+ are the most likely to take fewer long trips.

Most likely to say…

29%

'Cheaper transport options'

18-24s (40%)

Retirees are unlikely to cut back on transport costs (23%)

28%

'Cheaper accommodation type'

25-34s (32%)

Retirees are unlikely to save money by staying in cheap accommodation (20%)

28%

'Fewer long trips'

65+ (36%)

18-24s are also taking fewer long trips (33%)

Those traveling with people they don't know (52%)

26%

'Short-haul rather than long-haul'

Those traveling with people they don't know (60%)

65+ are least likely to take short-haul rather than long-haul (20%)

24%

'Cheaper food'

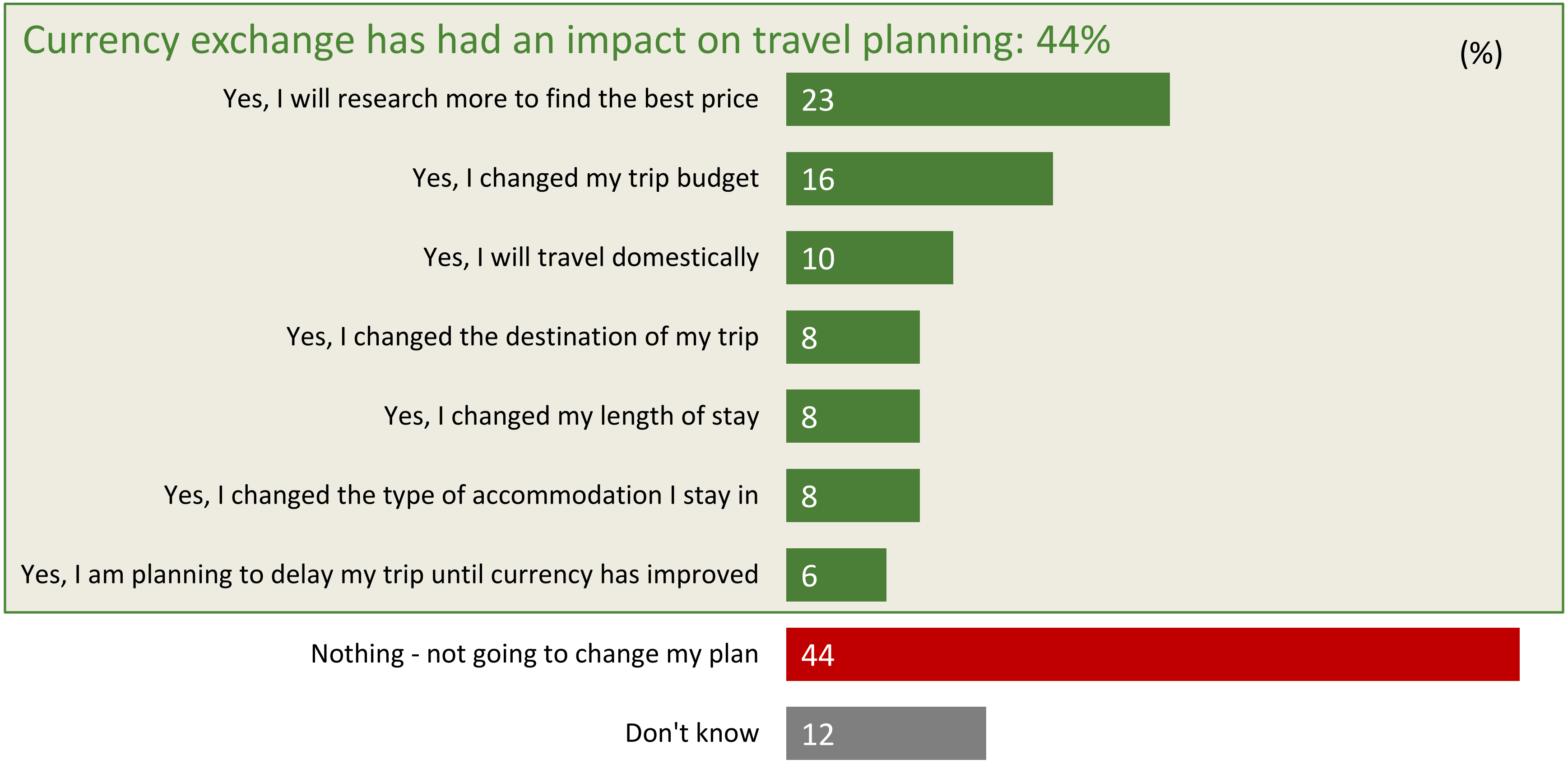
Female (27%)

Millennials (26%)

CQ27. On which aspects of your vacations will you spend less in the next 12 months than in the previous 12 months?
Base: All consumer respondents who will spend less on vacations in next 12 months than previous 12 months (6441)

Impact of currency exchange

- The impact of currency exchange on travel planning is mixed. The proportion of people who say it will have an impact is equal to those who say it will not change their plans.
- If travelers are changing plans, they are most likely to research more to find a better price.

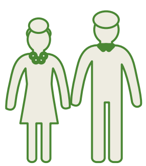


CQ28. Currency exchange can have an impact on the cost of your vacations. Has recent currency fluctuation had any impact on your vacation planning?
Base: All consumer respondents (50637)

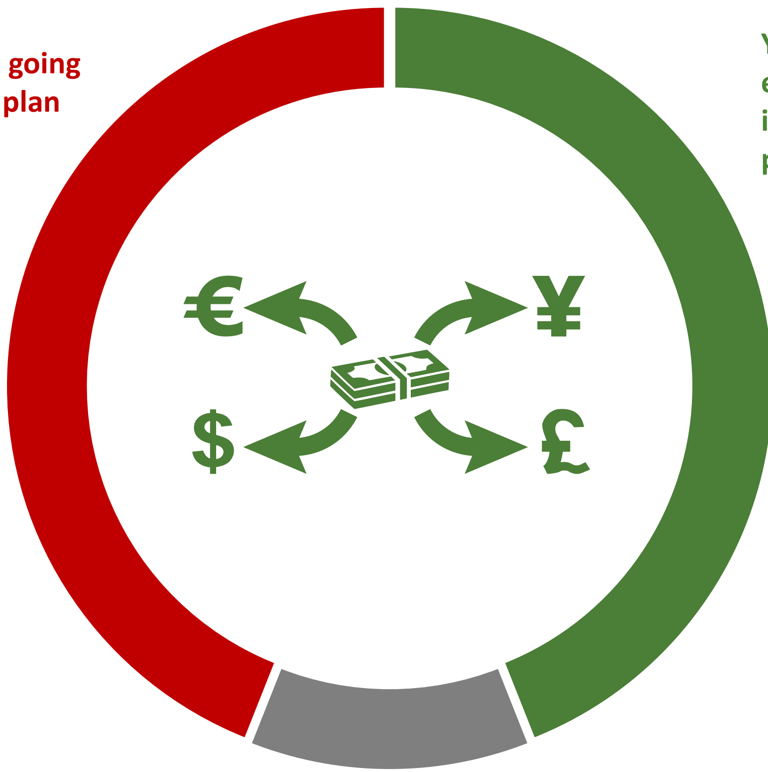
Impact of currency exchange

- Millenials are the most likely to say they will be impacted by currency fluctuations.

Nothing – not going to change my plan (44%)

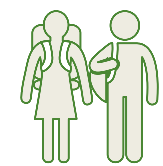


Retirees are unlikely to change any vacation plans due to currency fluctuations (57% won't change plans)



Don't know (12%)

Yes – currency exchange has had an impact on my vacation planning (44%)

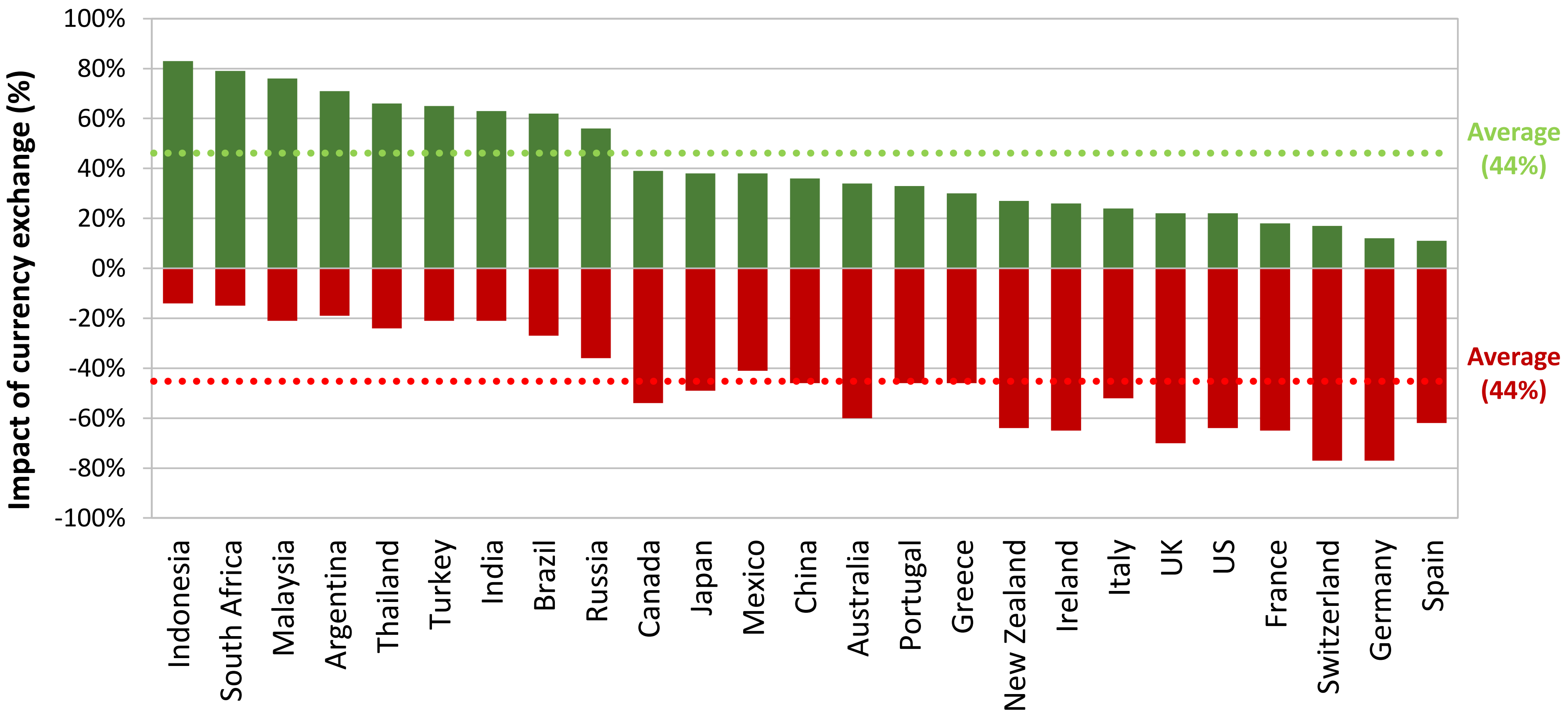


Millennials are most likely to be impacted by currency exchange (45%). Will research more to find the best price (24%) but are also the most likely to change their trip budget (18%)

CQ28. Currency exchange can have an impact on the cost of your vacations. Has recent currency fluctuation had any impact on your vacation planning?
Base: All consumer respondents (50637)

Impact of currency exchange

- South American and Asian travelers are the most likely to be impacted by currency fluctuations – Europeans less so.
- Argentinians are the only travelers who are more likely to change their trip budget than to do more research.



CQ28. Currency exchange can have an impact on the cost of your vacations. Has recent currency fluctuation had any impact on your vacation planning?
Base: All consumer respondents (50637)

Travel economy
Business Optimism

- Optimism among businesses has picked up with half looking to increase room rates in the next year. One in seven plan to open more properties in 2014, mainly driven by confidence in the tourism sector. Resorts, boutiques and luxury-style accommodation are the most optimistic about their profitability in 2014.
- However, the economy is still causing concern and is more likely to be cited as a threat to profitability. Most businesses attribute increased room rates to rising overhead costs.
- Investing in current employees is a priority for businesses. There are twice as many businesses investing in training as hiring.

Key Findings

The future is on the up

Seven in ten businesses are optimistic about their profitability in 2014, a slight increase on the previous wave of TripBarometer (67%). This is also reflected in the planned increase in room rates as just over half of the businesses said they are likely to raise rates in 2014, reversing the trend observed when TripBarometer was first launched in 2013. At the same time, one in four businesses said driving profits is the main cause, with luxury accommodation and hotels most likely to say this.

Resorts are more likely than the average property to increase their room rates and are additionally the most optimistic about their profitability.

While the proportion of businesses that are planning to open new properties has fallen compared to the previous wave of TripBarometer, those who are planning to open new properties attribute this to confidence in the tourism sector. They are also more likely to be moving into a more premium market and feel that press coverage positively impacts their profitability.

The economy is clouding optimism

Investment plans are similar across all hotel types, and the bulk of spend will go on small-scale renovations and marketing. Despite the rosy outlook, businesses are still concerned about the impact that the economy will have on their profitability, both within their country and globally. The majority of businesses are combatting this by increasing room rates to cover the increase in overhead costs.

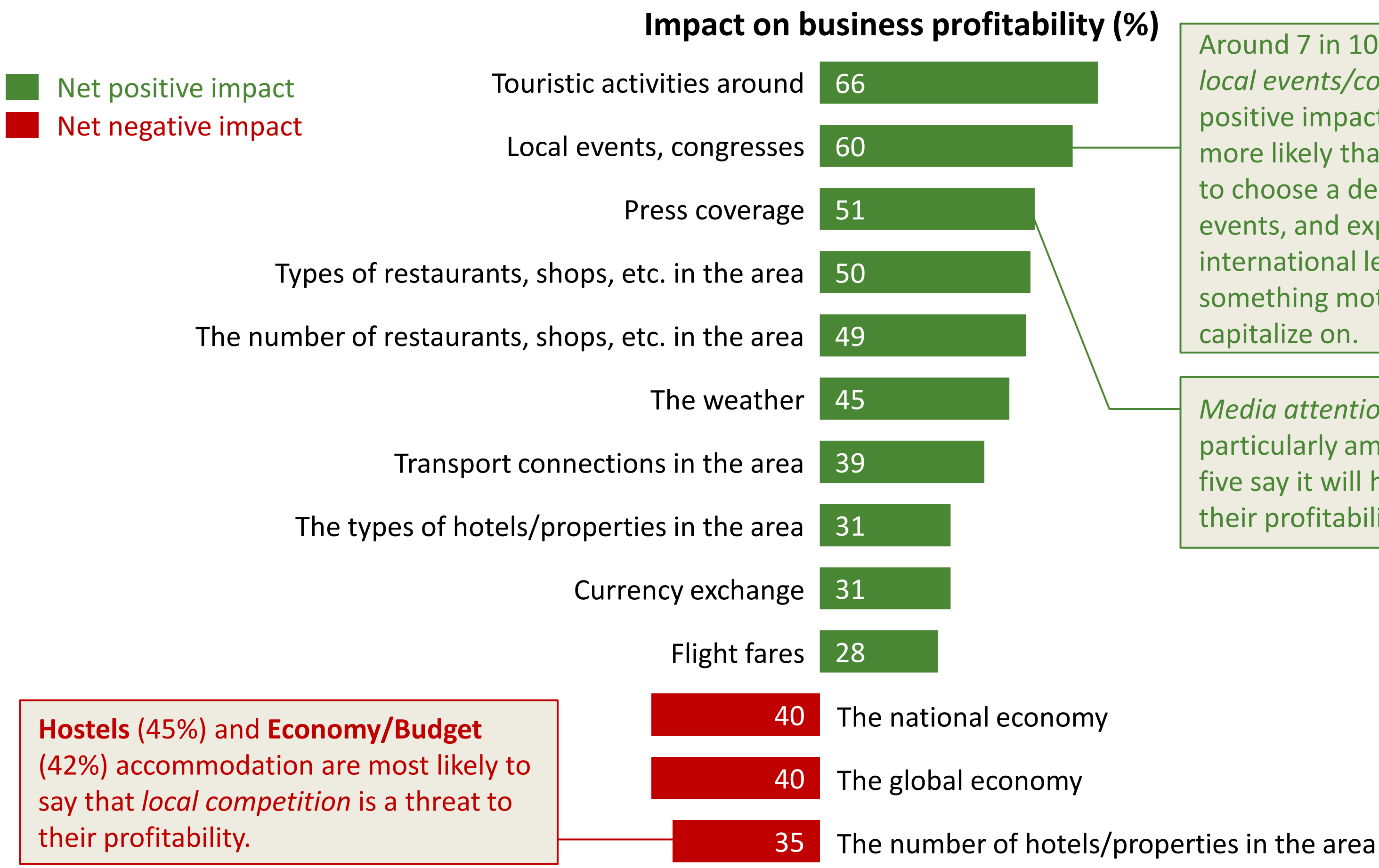
They also remain cautious in their investment – spending on large-scale renovations is likely to be reduced in 2014.

Staff hire is taking a backseat

Businesses will focus more on up-skilling existing staff than expanding their teams. They are twice as likely to invest more on staff training than hiring new staff. Staff training is also an area least likely to see a cut in spending in 2014. Interestingly, it is the accommodations at the higher end of the spectrum that are more likely to invest in their employees, pointing to the centrality of customer service to their offer.

Business profitability in 2014

- Businesses believe touristic activities and local events will have the greatest positive impact on profitability in 2014.



Around 7 in 10 **Motels** and **Hostels** say *local events/congresses* will have a positive impact. Given millennials are more likely than other life stages (31%) to choose a destination based on local events, and expect to increase their international leisure trips, this could be something motels and hostels can capitalize on.

Media attention is viewed positively, particularly among **boutiques**. Three in five say it will have a positive effect on their profitability.

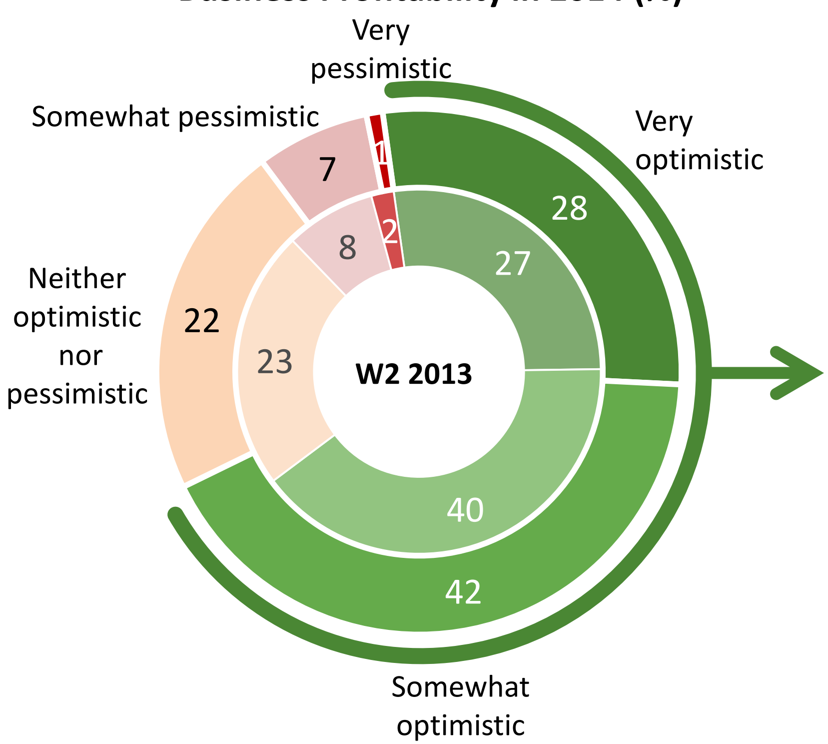
Hostels (45%) and **Economy/Budget** (42%) accommodation are most likely to say that *local competition* is a threat to their profitability.

BQ30. Thinking about 2014, which of the following, if any, do you think will have a positive or negative impact on your business profitability?
Base: All business respondents (10370)

Optimism in business profitability in 2014

- There is an uplift in optimism among businesses compared to the last wave of TripBarometer. (70% in 2014 vs. 67% in Wave 2 2013).
- Resorts are the most optimistic, with increasing signs of confidence across all higher-end properties.

Business Profitability in 2014 (%)



Optimistic (%)

Global average = 70

Property type

Resort 80

Motel 76

Hostel 72

Self catering 72

Hotel 69

Inn/B&B 69

Property category

Boutique 76

Luxury 75

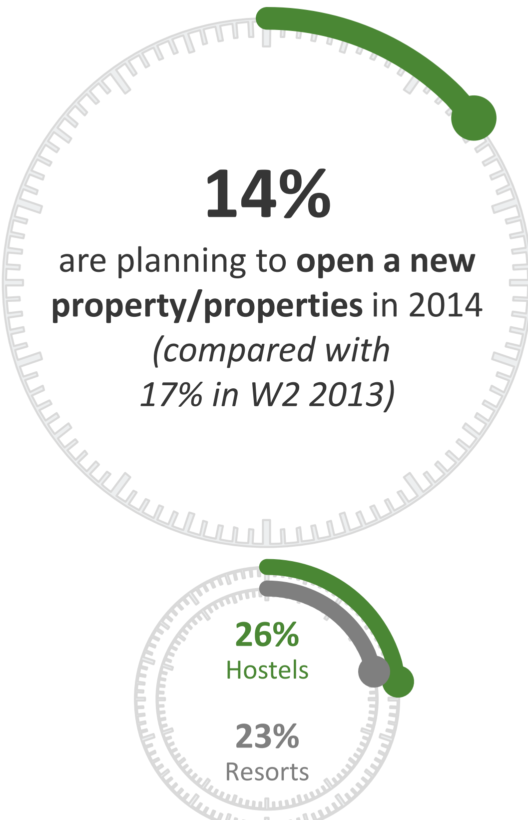
Mid range 69

Budget/ economy 67

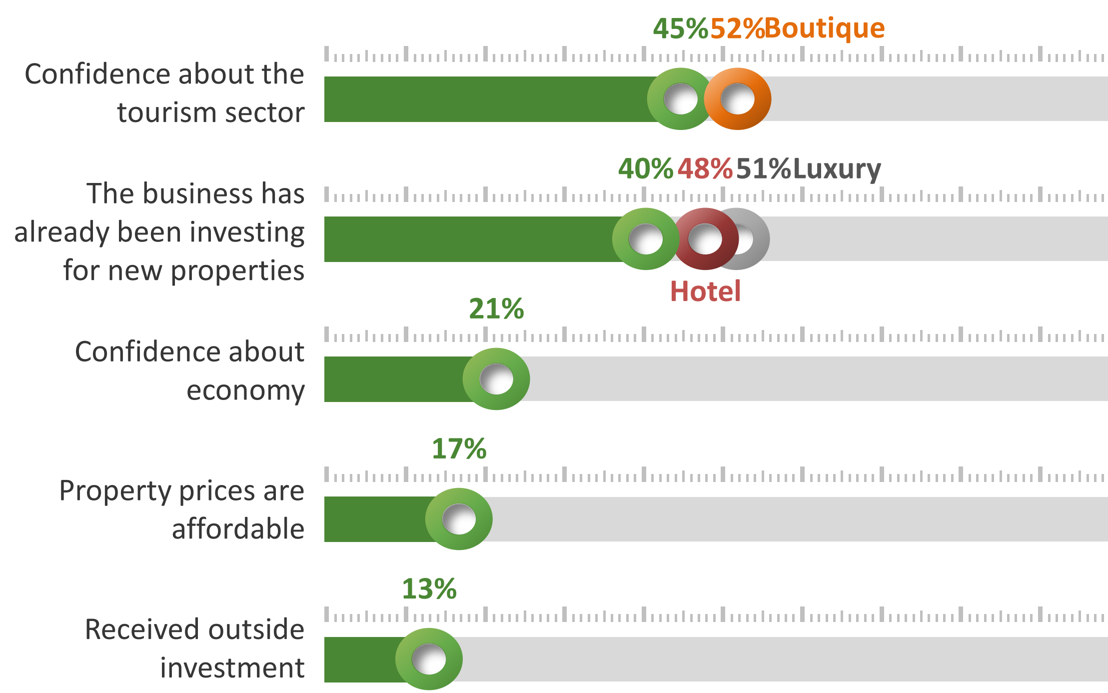
2014: BQ29/ W2 2013: Q28 How optimistic or pessimistic are you about your business profitability in 2014?
Base: All business respondents (10370), W2 2013: All business respondents (10467)

New properties in 2014

◎ While the proportion of businesses that are planning to open new properties has fallen compared to the last wave of TripBarometer, those who do attribute their plans to confidence in the tourism sector.



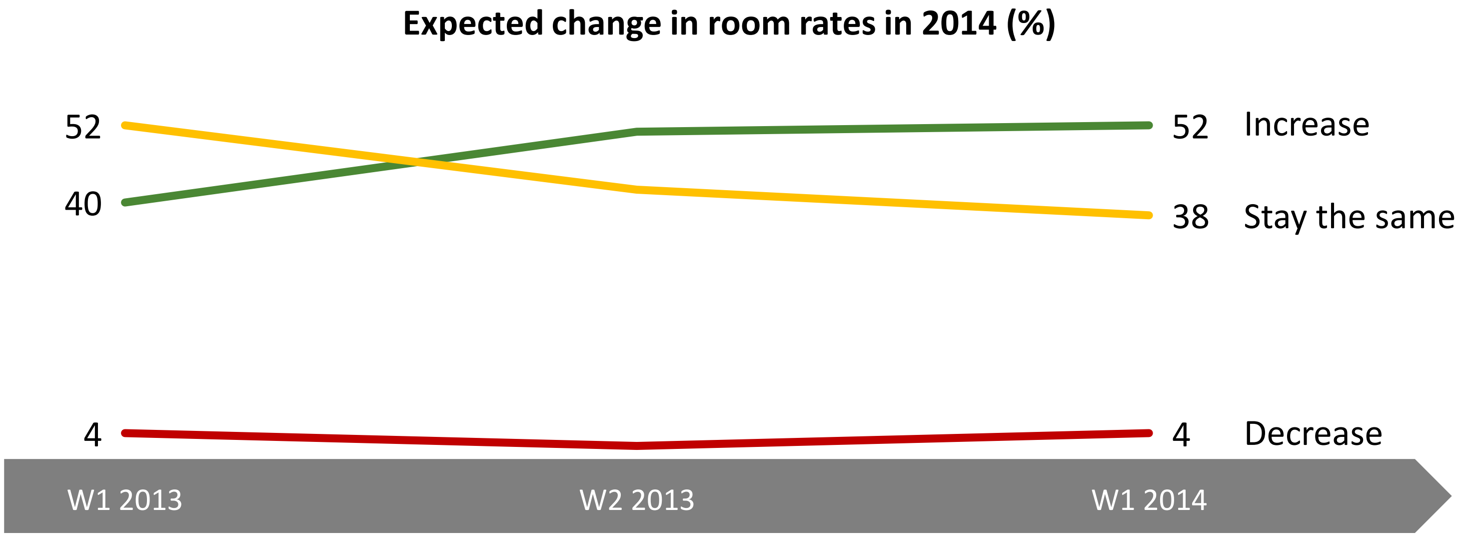
Circumstances that will allow more properties to be opened in 2014
(mentions with above 10% shown)



2014: BQ25/ W2 2013: Q32. Are you planning to open a new property/properties in 2014?
Base: 2014: All business respondents (10370), W2 2013: All business respondents (10467)
BQ26. What circumstances will allow you to open more properties in 2014?
Base: All business respondents planning to open new properties in 2014 (1086)

Room rates in 2014

- The likelihood of an increase in room rates has been growing since the first wave of TripBarometer.

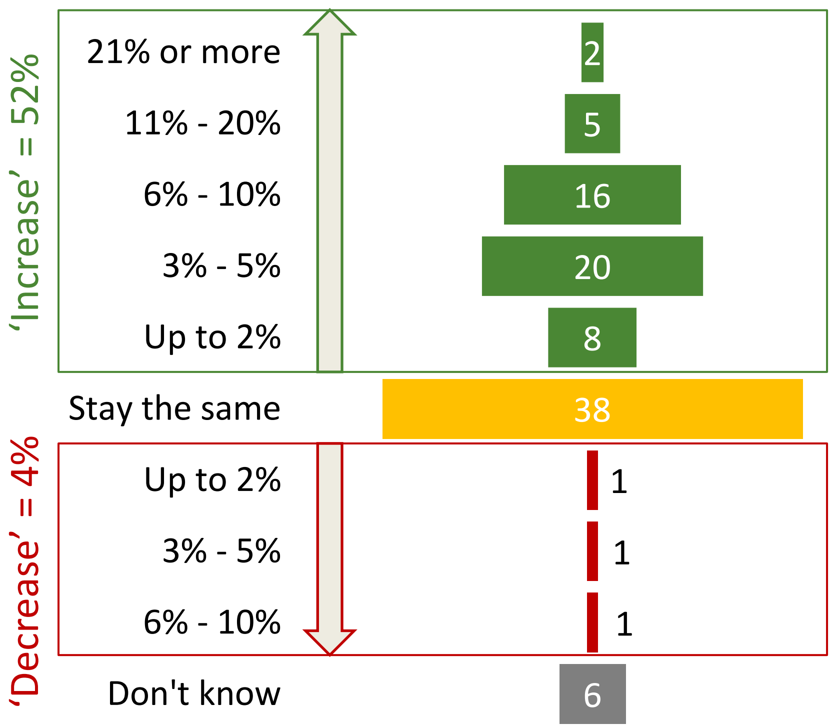


NB: Different question wording / scale used between W1, 2 and 3.
2014. BQ27. Are you planning to increase, maintain or decrease room rates in 2014? The room rates will…
Base: All business respondents (10370) 2013: All business respondents: (10467), 2012: All business respondents (19447)
BQ28. Why are you planning to increase the room rates in 2014?
Base: All planning to increase room rates in 2014 (4986)

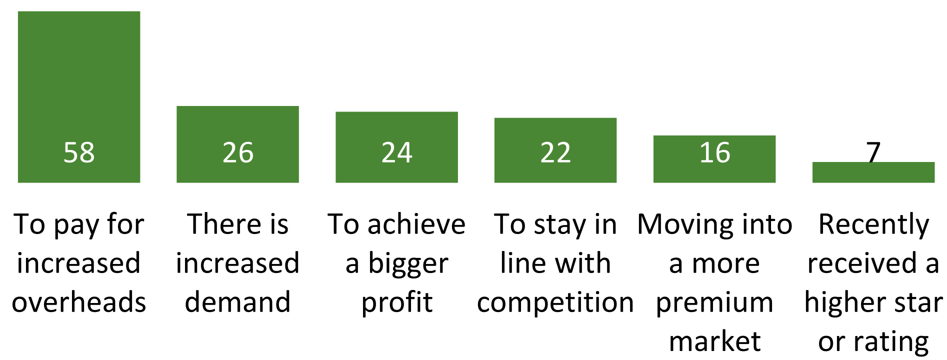
Room rates in 2014

- Over half of businesses plan to increase room rates in 2014, and just over half say this is a consequence of increased overhead expenditure.

Expected change in room rates in 2014 (%)



Reasons for planned increases (%)



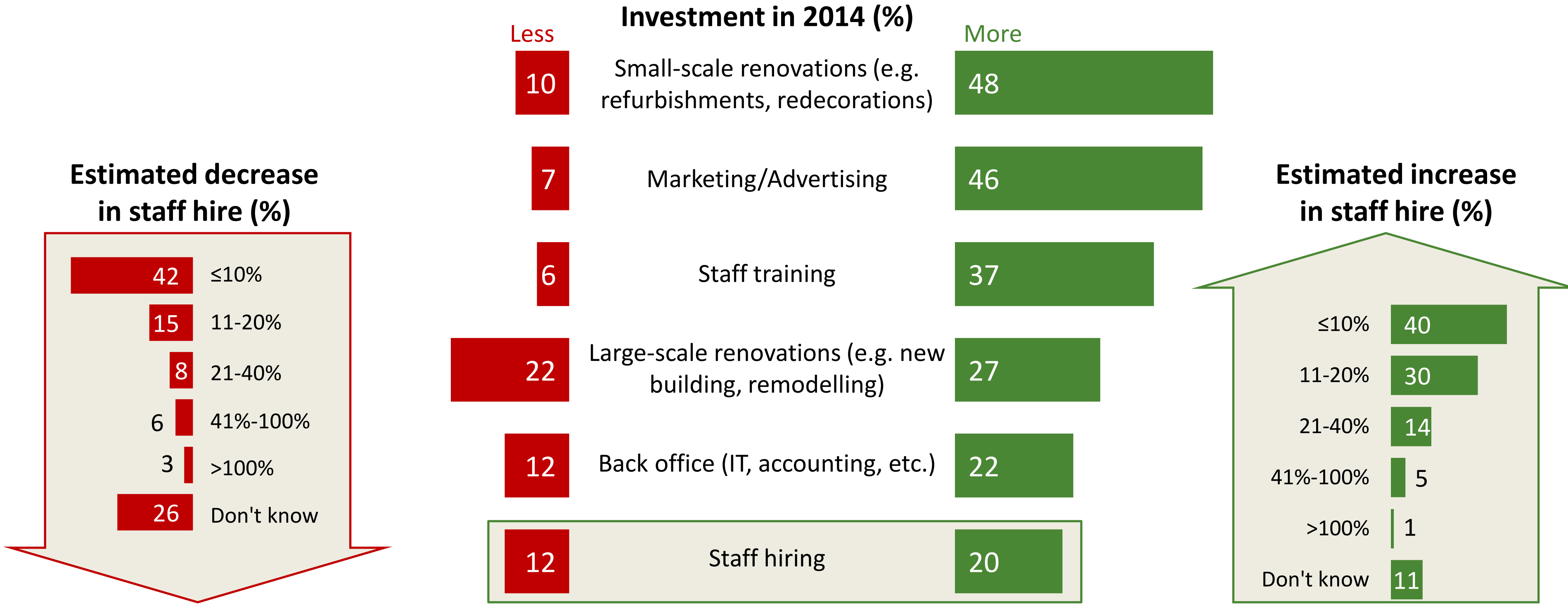
- **57% of hotels** are planning on increasing room rates and 30% of these are more concerned with *driving profits*
- **Luxury** accommodations are also likely to cite the same reason (31%)

- **58% of resorts** are planning on increasing room rates and 24% are more likely to say they are *moving to a more premium market*
- **Boutiques** are also more likely to cite this reason (23%)

2014. BQ27. Are you planning to increase, maintain or decrease room rates in 2014? The room rates will…
Base: All business respondents (10370)
BQ28. Why are you planning to increase the room rates in 2014?
Base: All planning to increase room rates in 2014 (4986)

Investment plans in 2014

- As seen in the previous wave of TripBarometer, investments will largely be in small-scale renovations and marketing.
- Of those businesses investing in staff hire, around half will increase spend by more than 10%.



2014: BQ23/ W2 2013: Q24. Looking at 2014, are you planning to invest more, about the same or less in the following?
Base: All business respondents (10370), W2 2013: All business respondents: (10467)
BQ24. You mentioned that you plan to invest more in staff hiring in 2014. What is the estimated increase?
Base: All business respondents planning to spend more on staff hiring in next 12 months (1723)
BQ24. You mentioned that you plan to invest less on staff hiring in 2014. What is the estimated decrease?
Base: All business respondents planning to spend less on staff hiring in next 12 months (1300)

The Connected Business

- Almost half of all businesses collect or encourage reviews via social media platforms.
- TripAdvisor is seen to be the most effective marketing channel.
- Nearly all businesses view online traveler reviews as important for generating bookings.
- Over half of businesses plan to invest in social media in 2014, with driving bookings and managing their online reputation being the main reasons for this.
- One in five businesses have no current mobile offering, although two in five of those who don’t, plan to introduce new mobile services in 2014.

Key Findings

The importance of online reviews to businesses

The majority of businesses recognize the need to collect guest reviews; only 6% of businesses currently do not collect any reviews. This is a reflection of their belief that online traveler reviews are very important for generating bookings for their businesses.

Online media platforms are the main channels to collect these reviews, and this is particularly prevalent among properties at the higher end of the spectrum – over half of resorts, boutique and luxury properties use this channel. At the same time, businesses are also emailing their guests and using links on their websites to collect guest reviews. Luxury properties and resorts in particular are more engaged in using emails, possibly as an added tool to build stronger guest loyalty. Some businesses are still using more traditional ways to capture guests' feedback: 31% use guestbook and 23% use cards at their front desks.

Interestingly, less than half of German properties collect reviews via online media sites, and this drops further to only one in three businesses in Japan.

The dual purpose of social media

Similar to the previous waves of TripBarometer, Facebook tops the list as the social media platform used most to interact and engage with guests while this year sees a surge in usage of Google+ which has now overtaken Twitter and YouTube as a medium to engage with guests. TripAdvisor, viewed by some as a social media channel, comes a close second to Facebook.

Over half of businesses are planning to invest in social media in 2014. Resorts and large properties are most likely to have social media investment plans, while hostels are the least likely.

Resorts engage the most with guests via social media platforms. At the other end of the scale, motels are the least interested in engaging with guests in this fashion. This disparity could be largely a product of budgetary constraints, but may also point to the importance of guests' experience and maintenance of brand reputation amongst properties at the higher end of the scale.

Amongst those who use social media and mobile marketing, only 7% consider it to be the most effective marketing channel, and close to none said that it is a tool for generating bookings. Instead, properties' own websites are the most used channel to generate bookings, whilst TripAdvisor is the most popular marketing channel. Businesses consider word-of-mouth as the most effective means for generating bookings, more so than their own website. This suggests that businesses see their guests as their best advocates.

Mobile on the rise

One in five businesses currently offer no mobile services, however, overall there is recognition for the need to cater for the increasing number of 'social travelers'. Compared with the previous waves of TripBarometer, more businesses are offering some form of mobile-related services, and more are also planning on new mobile offers in 2014.

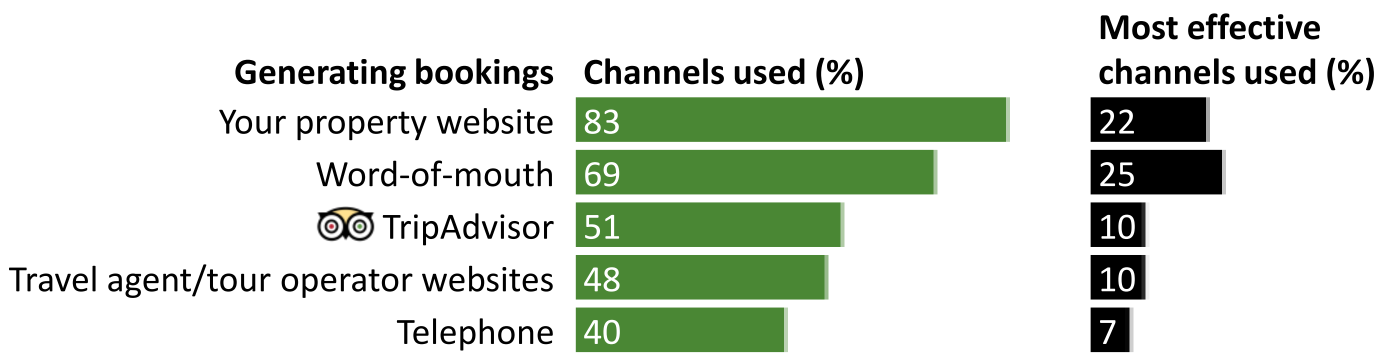
Generating bookings and marketing

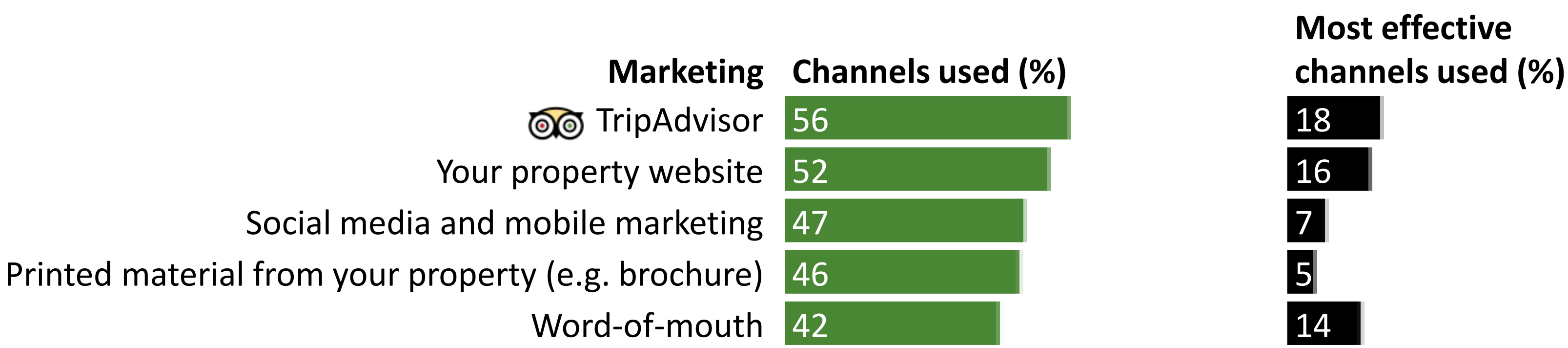
- Only half of businesses use their own website to market themselves, yet four in five say they use it to generate bookings.
- Social media and mobile appear to be important tools for marketing, but are not viewed as important for generating bookings.

BQ16. Which of the following channels, if any, do you use for generating bookings for your business and for marketing your business?
Base: All business respondents (10370)

Most effective channels in generating bookings

- When it comes to generating bookings, businesses consider word-of-mouth more effective than their own website.
- TripAdvisor is the most popular channel for marketing and is considered the most effective, just slightly more so than their own website.

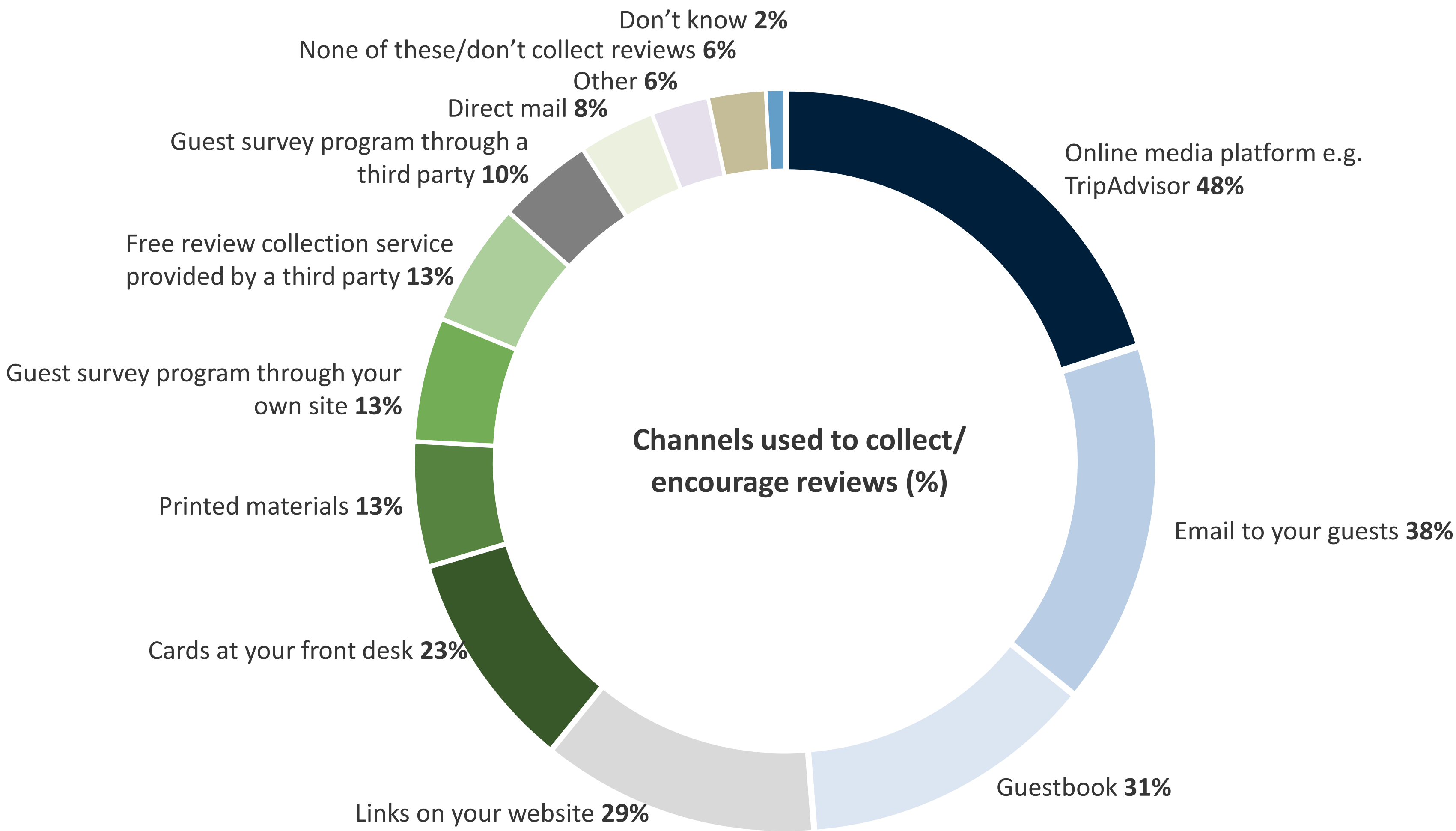




Only channels with over 40% usage are shown
BQ16. Which of the following channels, if any, do you use for generating bookings for your business and for marketing your business?
BQ17. Which of these channels is the most effective for generating bookings for your business?
Base: All who proactively generate bookings for their business (10119)

Collecting/encouraging accommodation reviews

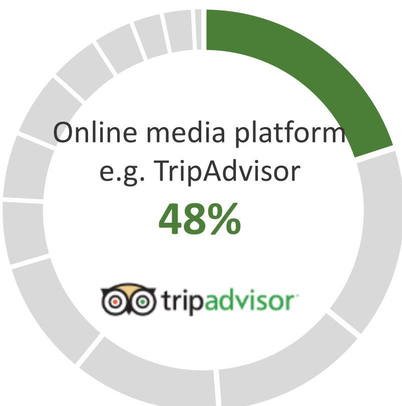
- Nearly half of businesses collect or encourage reviews via online media platforms such as TripAdvisor.



BQ19. In which of the following ways, if any, do you currently collect/encourage reviews of your accommodation?
Base: All business respondents (10370)

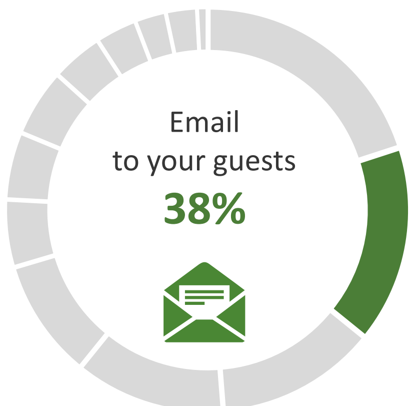
Collecting/encouraging accommodation reviews

- Resorts and higher-end accommodation types are the most active in collecting and encouraging reviews online.
- As a reflection of this, the larger the property size, the more likely they are to recognize the importance of online reviews.



They tend to be…

- Resorts = 53%
- Boutique = 53%
- Luxury = 53%
- Increasing staff hiring next year = 52%



They tend to be…

- Luxury = 49%
- Resorts = 46%

They tend to be…

- Motels = 33%
- Resorts = 32%

76%

Businesses say traveler reviews are **very important**

- Hostels (81%)
- Resorts (80%)

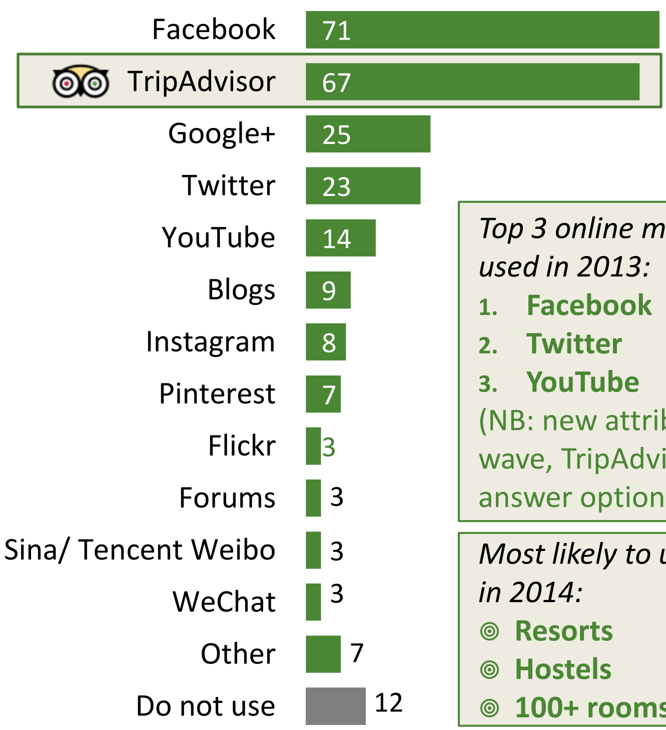
- 100+ rooms (79%)
- 1-5 rooms (74%)

BQ19. In which of the following ways, if any, do you currently collect/encourage reviews of your accommodation?
Base: All business respondents (10370)
BQ18. How important do you think online traveler reviews are for generating bookings for your business?
Base: All business respondents (10370)

Current online media engagement and 2014 investment plans

- TripAdvisor follows closely behind Facebook as the most popular online media platform with businesses, while Google+ has gained popularity.
- One in eight businesses do not engage in any social media, although over half of businesses are going to invest more in social media in 2014.

Current online media channels used (%)



Top 3 online media platforms used in 2013:

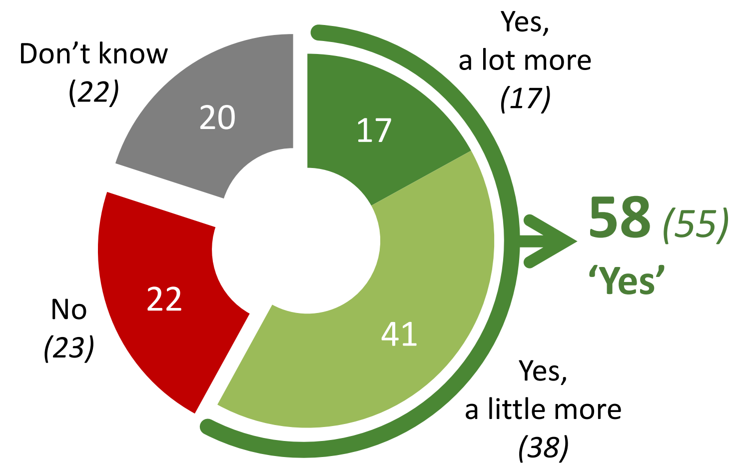
1. **Facebook**
2. **Twitter**
3. **YouTube**

(NB: new attributes added this wave, TripAdvisor was not an answer option in 2013)

Most likely to use online media in 2014:

- **Resorts**
- **Hostels**
- **100+ rooms**

2014 social media investment plans (%)

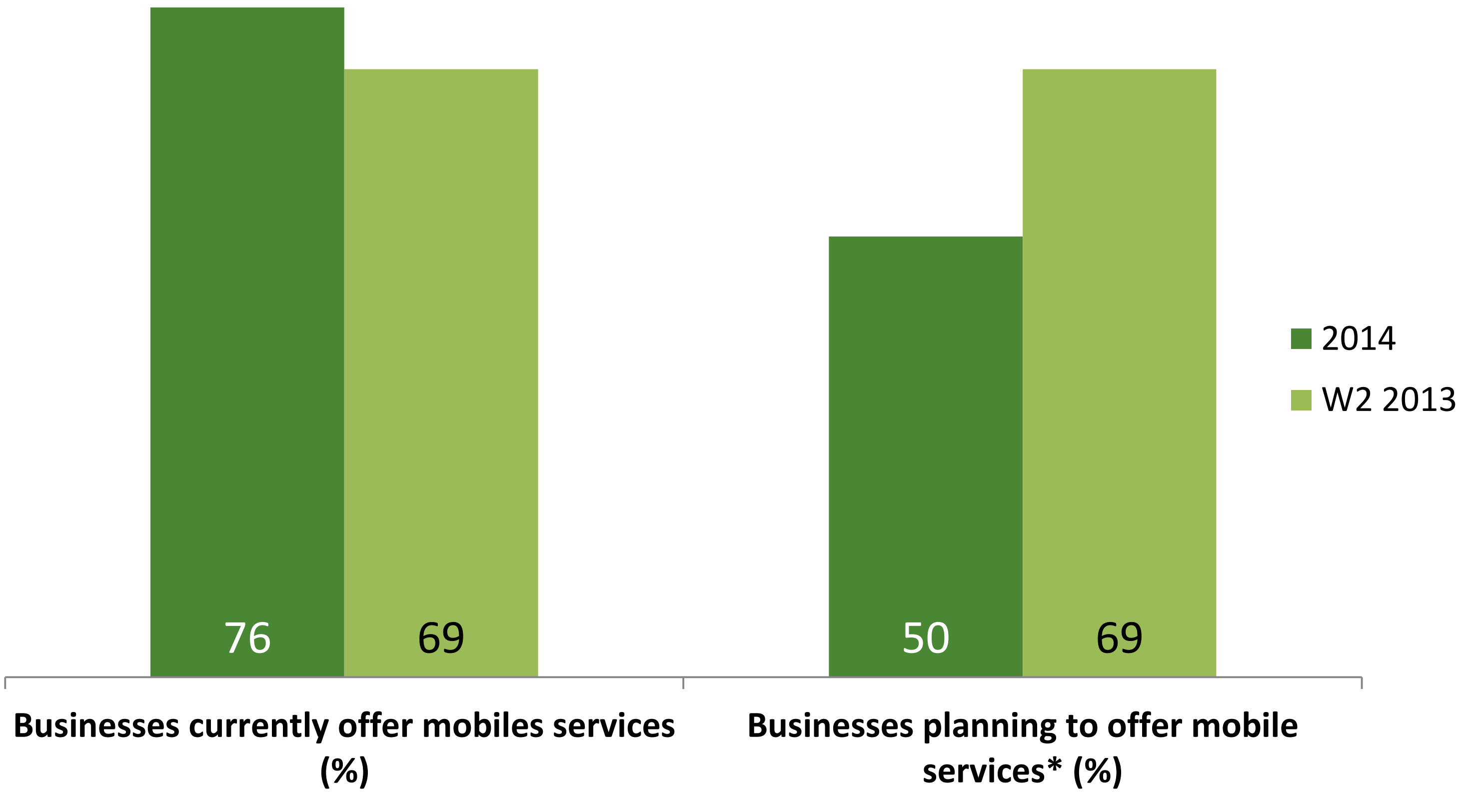


- **Resorts** are the most likely to invest more (71%)
- **Motels** are the least likely (47%)
- **Larger properties (100+ rooms)** are also investing more (74%)

W2 2013 scores in brackets (%)
2014 BQ20/ W2 2013: Q19 Which of the following social media platforms, if any, do you use to interact and engage with your current/potential guests?
2014: BQ21/ W2 2013. Q22. Are you planning to invest more in social media in 2014?
Base: 2014: All business respondents (10370)) W2 2013: All business respondents: (10467)

Current and future plans on mobile offerings

- Businesses are recognizing the emergence of mobile and are increasingly offering or planning to offer some form of mobile-related services.



**Question asked of those who had no mobile service in 2013*

2014: BQ10./W2 2013:Q15 Thinking about mobile devices, which of the following, if any, do you currently do?

Base: 2014: All business respondents (10370) W2 2013: All business respondents (10467)

2014: BQ12./W2 2013: Q17 Thinking about 2014, are you planning to do any of the following?

Base: 2014: All who do not offer at least one mobile service at BQ10 (10366), W2 2013: All who had no mobile service at Q15 (3245)

Current mobile offerings and uptake amongst guests

- One in five businesses are not currently engaged in any mobile-related activities.
- Apart from bookings, uptake of mobile offerings amongst guests remains relatively low.

Current business activities (%)		Highest uptake by travelers (%)
45	Allow guests to book rooms via your website on a mobile device	29
38	Have a mobile-friendly website	23
31	Provide adapters/converters	12
23	Provide a variety of laptop, tablet and mobile phone chargers	8
18	Send text messages to guests to confirm booking/update booking/share suggestions or special deals while they are at the property	8
10	Make special offers available to mobile device users	2
9	Offer a mobile program which allows guests to connect with previous travelers/read reviews	2
8	Mobile check-in	2
6	Offer a branded app for smartphones	1
5	Offer a branded app for tablet/PCs	
5	SIM cards/mobile phones which guests can borrow while in destination for pay-as-you-go usage	2
20	None of these	N/A

Mobile offerings with 5% or above current activities are shown
BQ10. Thinking about mobile devices, which of the following, if any, do you currently do?
Base: All business respondents (10370)
BQ11. Which of these do you think has the highest uptake/usage with your guests?
All who offer at least one mobile service (7743)

Appendix

- Detailed breakdown of sample size
- Additional information

Consumer survey – sample size

		W1 2013			2014		
		Total	Pop-up	Panel	Total	Pop-up	Panel
	Total	15595	7226	8369	50637	48352	2285
Africa	Egypt	308	0	308	23	23	0
	Morocco	N/A			23	23	0
	South Africa	503	0	503	561	61	500
	Other Africa	0	0	0	116	116	0
Asia	China	0	0	0	1017	1017	0
	India	429	168	261	618	518	100
	Indonesia	507	0	507	524	169	355
	Japan	886	636	250	2052	2052	0
	Malaysia	501	0	501	519	289	230
	Thailand	510	0	510	522	222	300
	Other Asia	0	0	0	405	405	0
Australasia	Australia	1026	525	501	2114	2114	0
	New Zealand	500	0	500	694	444	250
Europe	Austria		N/A		227	227	0
	France	502	502	0	3042	3042	0
	Germany	455	455	0	1265	1265	0
	Greece	505	0	505	603	503	100
	Ireland		N/A		468	468	0
	Italy	1160	1160	0	4966	4966	0
	Portugal		N/A		304	304	0
	Russia	511	0	511	2233	2133	100
	Spain	729	729	0	1864	1864	0
	Switzerland		N/A		627	627	0
	Turkey	501	0	501	558	308	250
	United Kingdom (UK)	1525	1023	502	4327	4327	0
	Other West Europe	0	0	0	1215	1215	0
	Other East Europe	0	0	0	749	749	0

		W1 2013			2014		
		Total	Pop-up	Panel	Total	Pop-up	Panel
	Total	15595	7226	8369	50637	48352	2285
Middle East	Israel		N/A		180	180	0
	Jordan		N/A		9	9	0
	United Arab Emirates (UAE)	0	0	0	89	89	0
	Other Middle East	0	0	0	111	111	0
North America	Canada	500	0	500	3209	3209	0
	Caribbean	0	0	0	86	86	0
	Mexico	501	0	501	459	459	0
	United States (US)	2047	1546	501	9595	9595	0
South America	Argentina	506	0	506	1692	1592	100
	Brazil	983	482	501	2956	2956	0
	Other South America	0	0	0	615	615	0

Region	Africa	503	0	503	723	223	500
	Asia	2833	804	2029	5657	4672	985
	Australasia	1526	525	1001	2808	2558	250
	Europe	5888	3869	2019	22448	21998	450
	Middle East	308	0	308	389	389	0
	North America	3048	1546	1502	13349	13349	0
	South America	1489	482	1007	5263	5163	100

Business survey – sample size

		W1 2013	2014
	Total	**19447**	**10370**
Africa	Egypt	38	16
	Morocco	N/A	111
	South Africa	438	288
	Other Africa	539	180
Asia	China	60	101
	India	721	272
	Indonesia	171	97
	Japan	65	194
	Malaysia	70	28
	South Korea	21	N/A
	Thailand	231	155
	Other Asia	328	295
Australasia	Australia	777	411
	New Zealand	435	221
Europe	Austria	N/A	116
	France	2057	916
	Germany	577	240
	Greece	334	334
	Ireland	N/A	90
	Italy	3751	1499
	Portugal	N/A	102
	Russia	39	110
	Spain	820	524
	Switzerland	N/A	109
	Turkey	2	152
	United Kingdom (UK)	1590	888
	Other West Europe	649	177
	Other East Europe	281	238

		W1 2013	2014
Middle East	Israel	N/A	12
	Jordan	N/A	6
	United Arab Emirates (UAE)	21	7
	Other Middle East	63	26
North America	Canada	708	317
	Caribbean	174	117
	Mexico	248	164
	United States (US)	3326	989
South America	Argentina	199	205
	Brazil	277	248
	Other South America	437	415

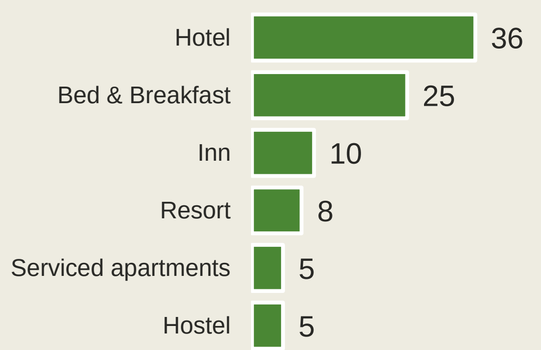
Region	Africa	977	595
	Asia	1667	1142
	Australasia	1212	632
	Europe	10100	5495
	Middle East	122	51
	North America	4456	1587
	South America	913	868

Profile of businesses

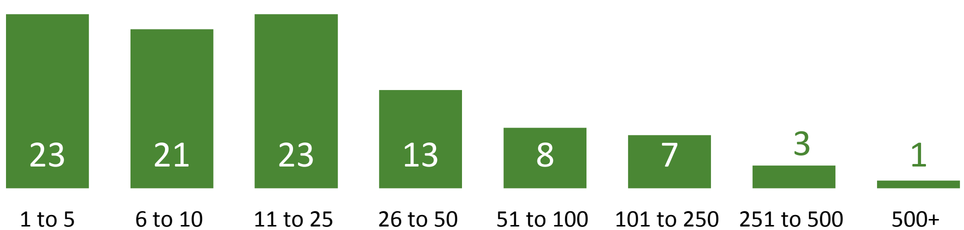
81% single property businesses

45% in mid range category

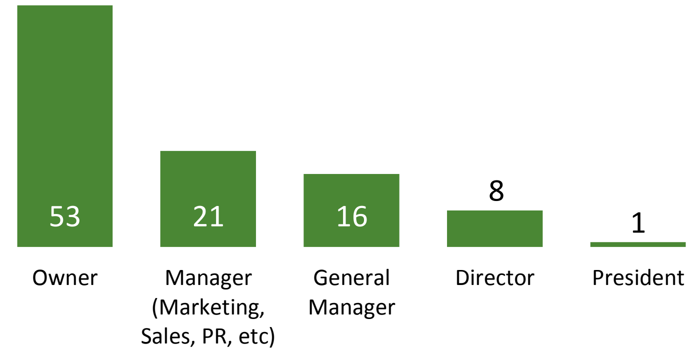
Type of property (5%+ shown)



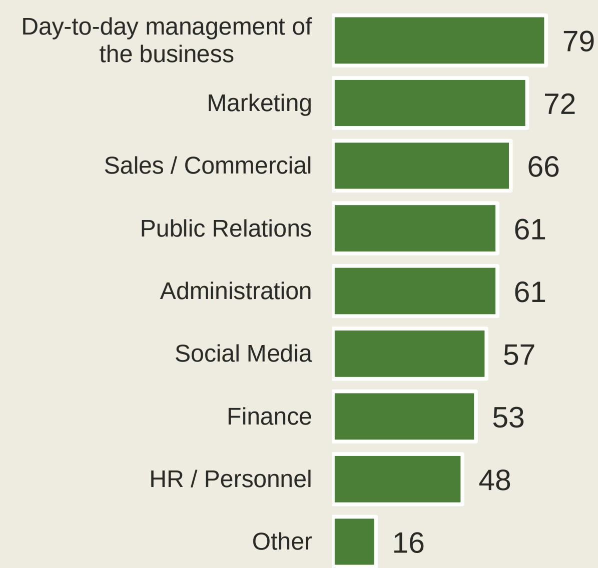
No of rooms in property (%)



Current position (%)



Functions of responsibility (%)



BS2: Current position held, BS3: Functions of responsibility, BQ1: Single or multiple property/properties, BQ3:Property type, BQ4: Type of property represented, BQ6: number of rooms in property. Base: All business respondents (10370)

For more information

Please contact tripbarometer@ipsos.com