TripBarometer March 2015

Global Travel Economy Report

Executive Summary

Vacation budgets in 2015…

Globally one-quarter of all travelers are holding their vacation budgets at 2014 levels, with travelers twice as likely to increase, rather than decrease spend in 2015.

Two in five travelers will spend more on vacations in 2015, which is driven largely by pull factors. Two in five reason that they/their family deserves it and this is highest amongst Indonesian travelers where six in 10 cite this reason. Globally, two in five travelers say they will spend more because they are going somewhere on their wish list. This is highest amongst millennials, where nearly half cite this as a reason for spending more.

One in four travelers will spend less on vacations in 2015 and this is largely financially driven: 73% give a financial reason. Millennials are also the most likely to be feeling the financial pinch, with more citing a lack of savings for their reduced budgets this year, or opting to visit less expensive countries. Reflecting the challenges Greece's economy is facing, 35% of travelers from Greece will be reducing their spending on vacations this year with six in 10 not having enough money to allow them to hold spending at last year's levels.

In terms of change in value of mean annual travel spend, most markets are set to see an increase or will remain stable, except for Turkey, Portugal, Russia and Japan.

Sightseeing is the treat of choice but lifestage is also a factor…

In their top three special treats to spend money on whilst on vacation, sightseeing emerged top with over half of global travelers placing it in their top three, and one in four ranking it first.

The special treats included in their top three reflect the traveler's life stage, with retirees amongst the most likely to spend their treat money on accommodation and special meals.

Sightseeing topped the list as first choice for millennials whilst families are notable as the group most likely to put accommodation at the top of their list of treats.

The domestic leisure markets look buoyant in 2015…

Retirees are the group most likely to have taken international leisure trips over the last two years, and have done so most often; they plan to maintain this in 2015. However families' intention to travel abroad is significantly down year-over-year, implying that half or less of families will take international trips in 2015.

In contrast, planned domestic trips closely match the frequency of trips taken. The domestic leisure market is looking buoyant in 2015 and across all life stages; with nine in 10 travelers planning an average of three domestic trips in 2015.

US is popular for 2015 travel and Australia tops the wish list…

When looking at travel plans for the coming year, we see that often this reflects countries visited last year. The most popular destination in 2014, and for 2015, is the US. Dream destinations in the next two years if money were no object remain Australia, US and Italy. Australia is number one for millennials and families, whilst Italy tops the list for retirees.

Executive Summary

Business optimism continue to grow…

Over the past two years we see a growing confidence in businesses' profitability. In 2013, two in three businesses felt optimistic about profitability in the coming year. In 2015 this proportion rises to three in four. This optimism is being driven by more accommodations feeling 'very optimistic' about the year ahead, and simultaneously moving away from a more neutral position.

Whilst self catering accommodations see the biggest year-over- year increase in optimism, it is the boutique and luxury sector that feel the most optimistic about the year ahead.

Reputation is invaluable…

Across many aspects of the business, investment is set to increase in 2015. However online reputation management investment intention is most notable. Nearly all businesses recognise the importance of online reputation management to their future, and six in 10 say that investment in this area will increase in the next 12 months. This is particularly high amongst resorts, hotels and properties with over 100 rooms, where around one in three say they intend to invest 'much more' in online reputation management in 2015. Properties in Mexico and India are also planning to spend more on this than the global average.

The value of online reputation management is recognised even amongst the most pessimistic businesses, where half say that they will invest more.

Room rates are set to increase…

Often a sign of health in the sector, half of all businesses intend to increase their room rates in 2015 and 35% will do so by between 3-10%. These increases are highest amongst resorts (who are also the most optimistic about their 2015 profits). Just over four in 10 resorts will increase their room rates by between 3-10%.

Over two-thirds of businesses in South Africa, Austria and Brazil are intending to increase their room rates. In South Africa and Brazil the market appears even more buoyant with 54% planning increases of 6% and more. China is the market where we are most likely to see reductions, with one in five reducing room rates, but not by more than 10%.

Covering costs remains the main driver for increasing room rates, however we see echoes of business optimism as positive influences such as increased demand and events and activities in the area come through. Resorts are particularly likely to be feeling the positive impact of increasing demand as a reason for increasing room rates.

Local events are seen as a positive driver of profits…

Whilst local events are allowing approximately 10% of all businesses to increase their room rates, the impact of local events and congresses goes further. Two-thirds of businesses cite that local events will have a positive impact on profitability in 2015. Given that globally businesses are serving more domestic than international guests, the perceived benefit of localized events on their business is highly anticipated.

This is most notable for Russian businesses, where eight in 10 think they will benefit from local events, although they are also concerned that exchange rates and the global and national economy will have a negative impact on profits.

The global and national economies remain a concern…

Around one in three businesses cite the national economy and the global economy as having a negative impact on profits in the next 12 months.

This is particularly the case for businesses in Switzerland, where current exchange rates are deemed a negative impact on their profitability, connected to their concerns about the global economy.

Methodology

TripBarometer was introduced by TripAdvisor in 2012, with the aim of measuring and tracking global travel industry trends amongst both businesses and consumers. Since 2014 Ipsos MORI has conducted Waves 3 and 4 of TripBarometer, with this being Wave 5.

All interviews were conducted using the following online methodology:

- The **consumer** research was conducted in 32 markets, predominantly via a pop-up link on TripAdvisor's local websites. Ipsos' online panels were deployed to help boost sample sizes in some markets (please refer to the Appendix for details 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 China and Turkey, which both achieved over 100).

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

- Consumer weighting: The data is 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. 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 unless specified.

Throughout this report, travelers are defined as those who who chose to take part in our survey and have researched or planned vacations online in the last 12 months. Business respondents defined as those who who chose to take part in our survey and 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 in 2013 and 2014. The difference in sample composition across the waves is detailed in the appendix.

Fieldwork was conducted between the 16th January – 2nd February 2015.

Contents

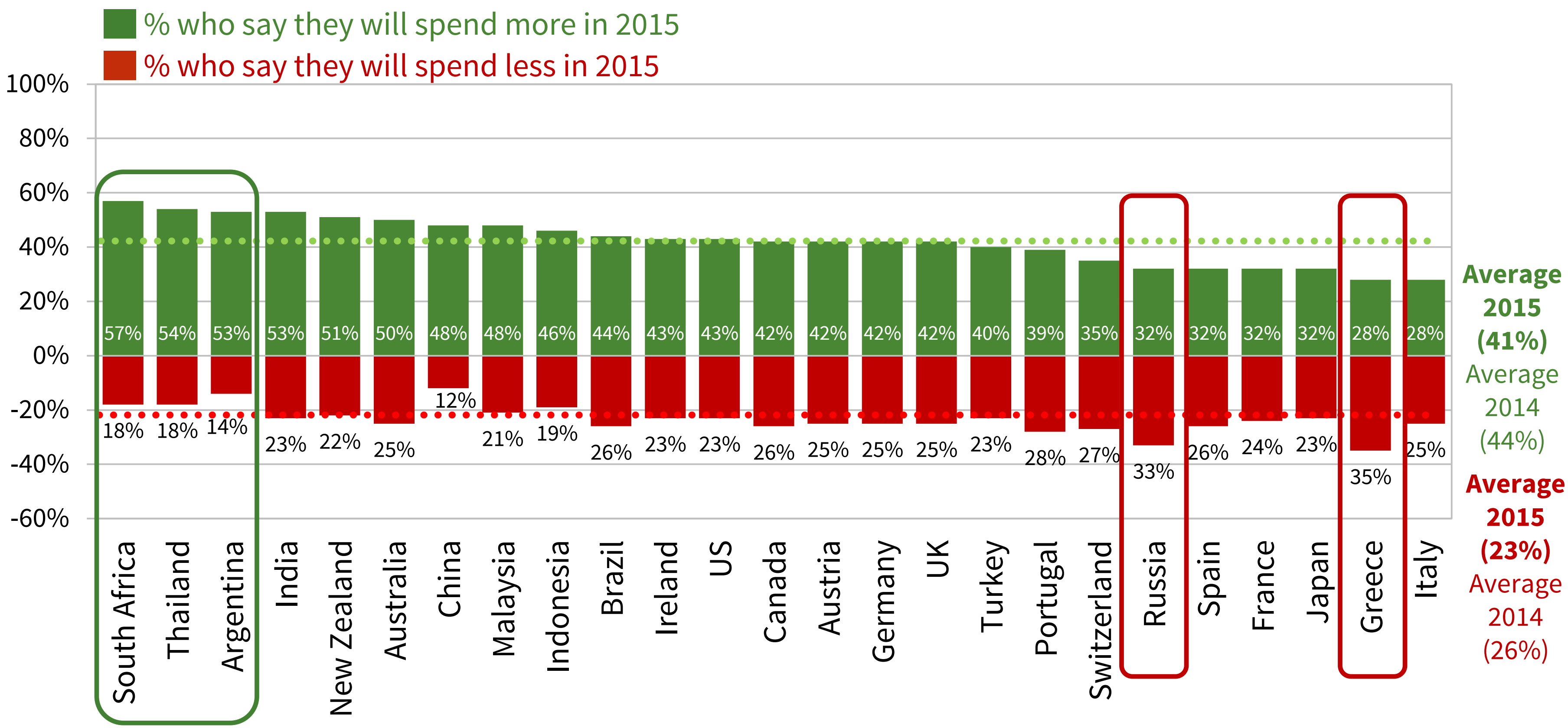
- **Traveler Holiday Spend**
  - 2015 Budgets
- **Frequency of Travel**
- **Destinations**
  - Visited
  - Planned
  - Dream Destinations
- **Impact of Amenities on Bookings**
- **Business Optimism**
  - Optimism
  - Investment
  - Room Rates
- **Profitability in 2015**
  - Impacts on Profitability
- **Hotelier Confidence Index**
- **Appendix**

Traveler Holiday Spend

- Globally one-quarter of all travelers are holding their vacation budgets at 2014 levels, with two in five intending to spend more
- The incentive to spend more is largely driven by pull factors such as the attraction of visiting a place on their wish list and feeling they deserve the trip
- Sightseeing, special meals and accommodation are the top three things travelers splurge on while on vacation

Travelers' intention to change vacation budgets in 2015

- Globally one-quarter of all travelers are holding their vacation budgets at 2014 levels, with travelers twice as likely to say they will increase, rather than decrease, spend in 2015.
- South Africa, Thailand and Argentina are the most buoyant markets with their travelers three to four times more likely to be increasing, rather than decreasing their budget.
- In contrast Russia and Greece are the only two markets to see travelers more likely to be cutting, rather than increasing, budget.

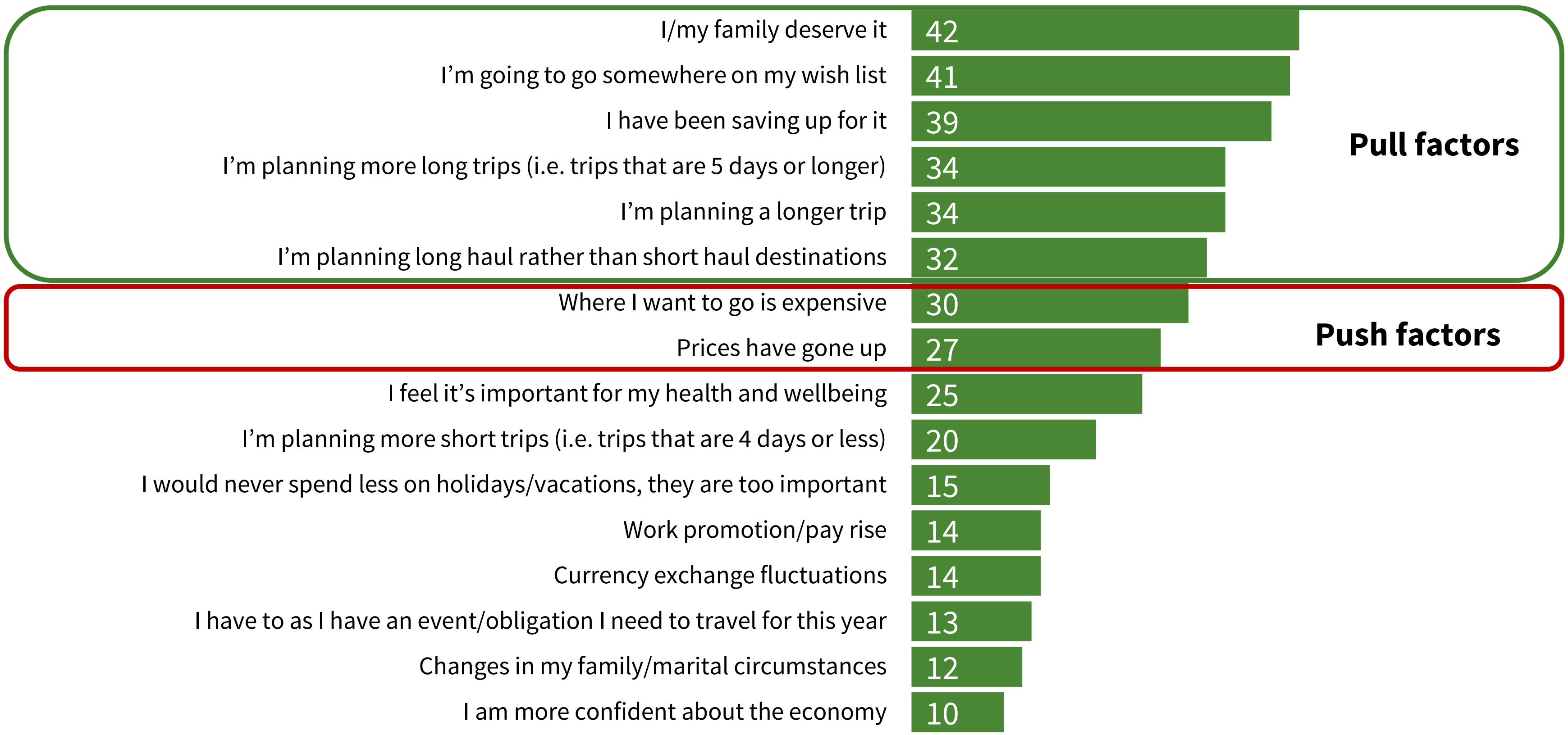


Calculated by taking bases at CQ26 and CQ27: All consumer respondents spending more (10,971) and all consumer respondents spending less (5,983), and all responding (26,462)

Reasons for intending to spend more in the next 12 months

- The most frequently given reasons for why travelers expect to spend more in 2015 can be described as ‘pull factors’, i.e. people are choosing to spend more as they plan more and longer trips, etc.
- For others, budgets are increasing out of necessity, due to factors out of their control. These include push factors such as prices going up and wanting to go to expensive destinations.

Why travelers will spend more on vacations in the next 12 months (%)

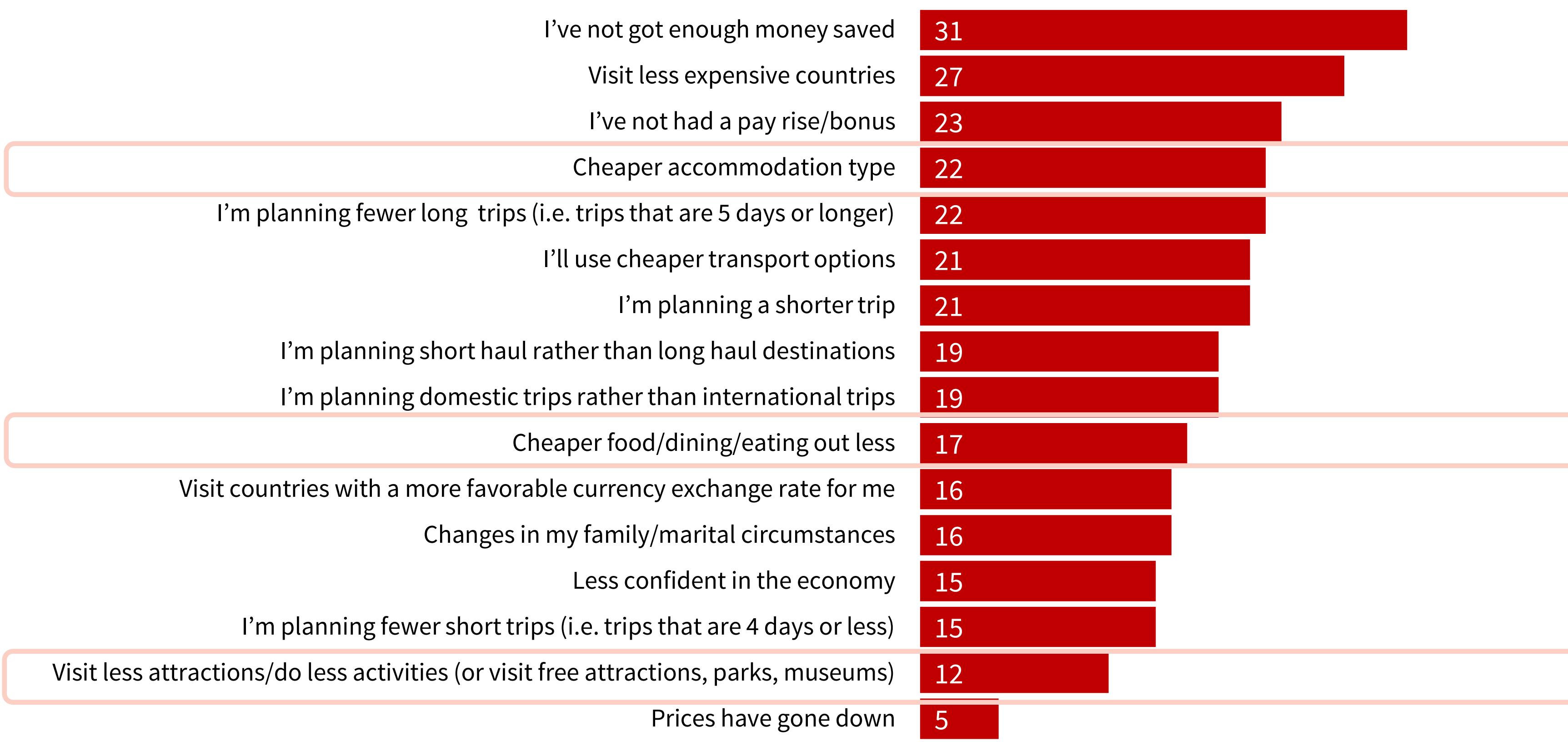


CQ26. Why will you spend more on your vacations in the next 12 months than the previous 12 months?
All consumer respondents spending more (10,971)

Reasons for intending to spend less in the next 12 months

- The most frequently given reasons for why travelers expect to spend less on travel this year are related to their finances: 73% give a financial reason.
- The overall impact on the travel economy may not be too significant as just 16% of travelers expect to reduce their budgets this year. However, around one in five will be doing this by choosing cheaper accommodation and by spending less on food when they’re away, with one in 10 saving money by spending less on attractions.

Why travelers will spend lesson vacations in the next 12 months (%)

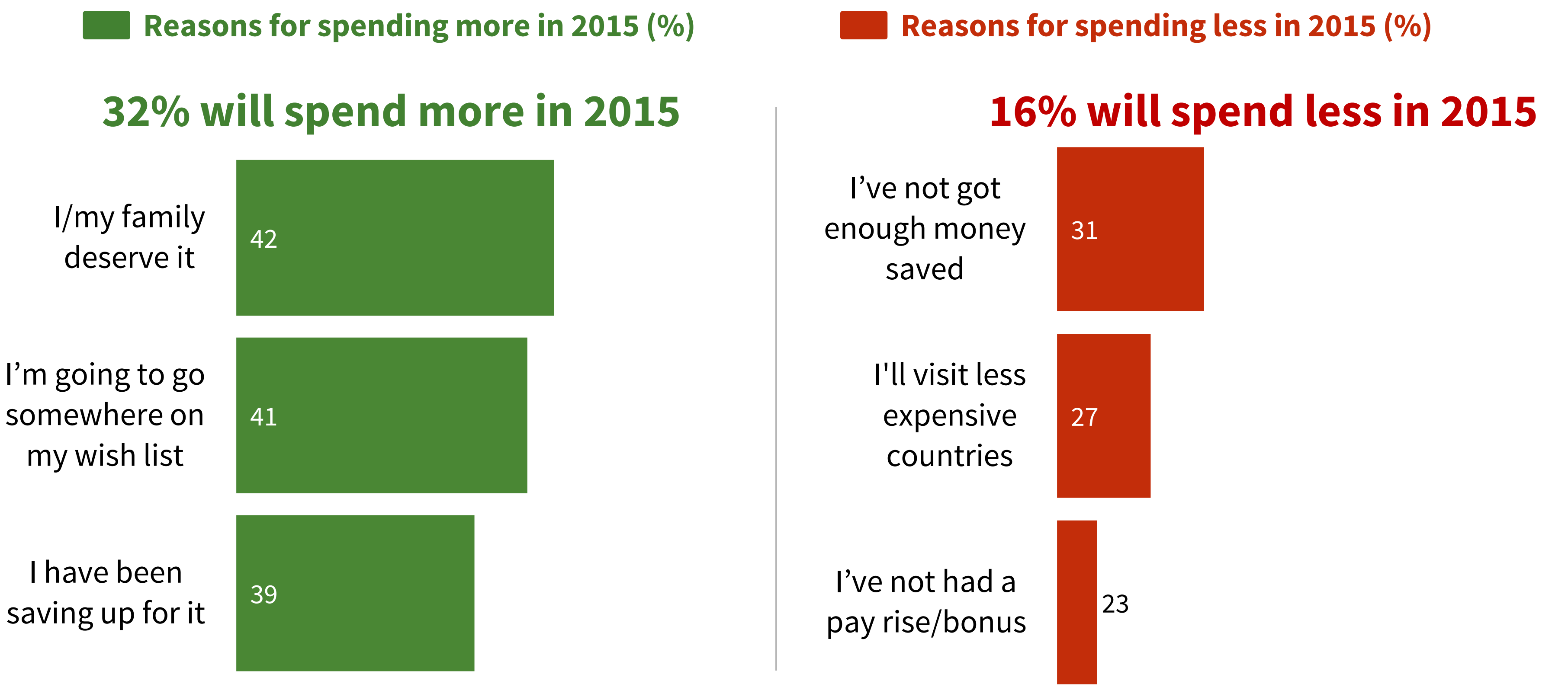


CQ27. Why will you spend less on your holidays/vacations in the next 12 months than you did in the previous 12 months?
All consumer respondents spending more (10,971) and all consumer respondents spending less (5,983)

Top three reasons given for intended change to vacation budget

- One-third of travelers intend to spend more on vacations in 2015. The incentive to spend more is largely driven by pull factors such as the attraction of visiting a place on their wish list and feeling they deserve the trip.
- Despite their finances, people with reduced budgets this year are still getting away by going to less expensive destinations.

Why travelers will spend more/less on vacations in the next 12 months

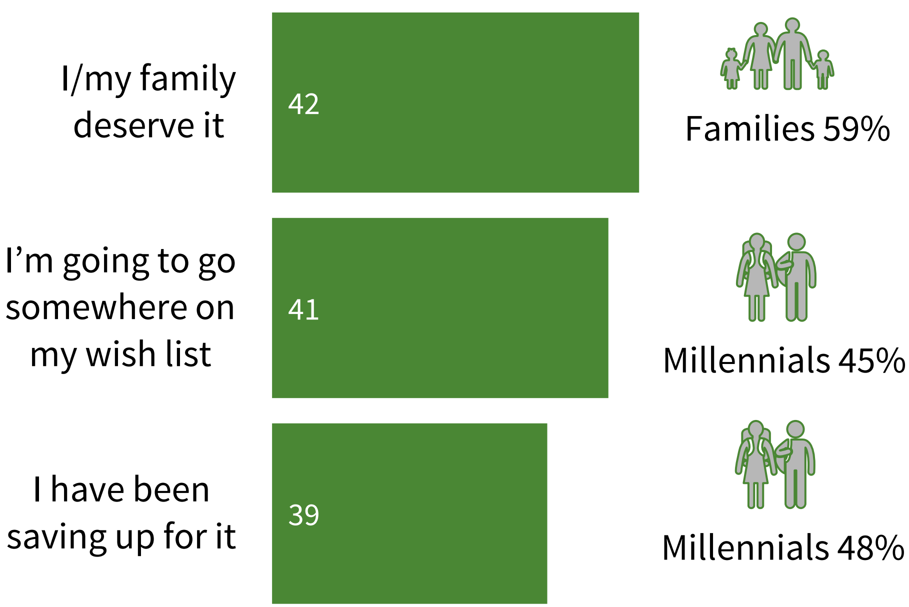


CQ26. Why will you spend more on your holidays/vacations in the next 12 months than you did in the previous 12 months?
CQ27. Why will you spend less on your holidays/vacations in the next 12 months than you did in the previous 12 months?
All consumer respondents spending more (10,971) and all consumer respondents spending less (5,983)

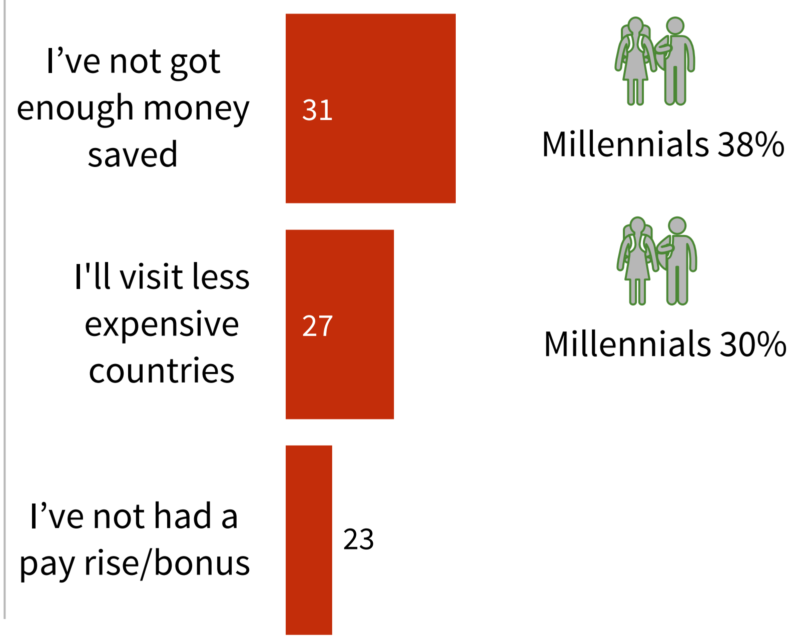
Top three reasons given for intended change to vacation budget by life stage

- Those who travel with families will, of course, be most likely to cite them as deserving a vacation. However one-third of retirees and those traveling with no children say the same thing, thinking instead of their spouse/partner.
- Millennials are most likely to be feeling the financial pinch, with more citing a lack of savings for their reduced budgets this year.

Reasons for spending more in 2015 (%)



Reasons for spending less in 2015 (%)

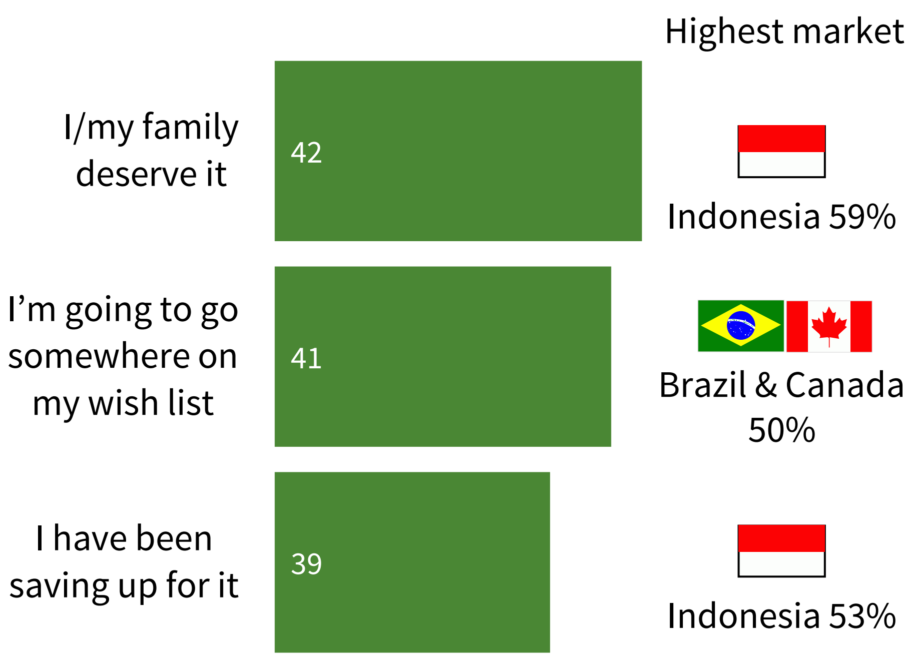


CQ26. Why will you spend more on your vacations in the next 12 months than the previous 12 months?
CQ27. Why will you spend less on your holidays/vacations in the next 12 months than you did in the previous 12 months?
All consumer respondents spending more (10,971) and all consumer respondents spending less (5,983)

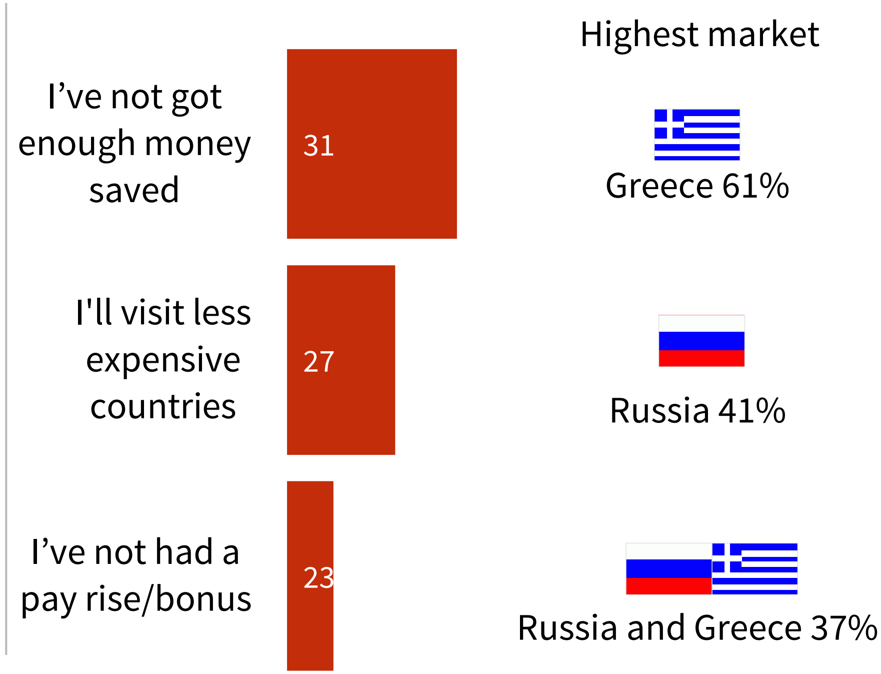
Top three reasons given for intended change to vacation budget by market

- 40% of travelers from Indonesia will be increasing their vacation budgets this year, six in 10 doing so because they and their family deserve the vacation(s).
- Reflecting the challenges Greece's economy is facing, 29% of travelers from Greece will be reducing their spending on vacations this year with six in 10 not having enough money to allow them to hold spending at last year's levels.

Reasons for spending more in 2015 (%)



Reasons for spending less in 2015 (%)



CQ26. Why will you spend more on your vacations in the next 12 months than the previous 12 months?
CQ27. Why will you spend less on your holidays/vacations in the next 12 months than you did in the previous 12 months?
All consumer respondents spending more (10,971) and all consumer respondents spending less (5,983)

Mean annual travel budget for 2015 (in $)

- To compare markets we can calculate the mean value of 2015's budget in US $. Based on those who could give a value this gives a good indication of which markets are highest (and lowest) in terms of travelers' 2015 budgets.

Top for average value of 2015 budget: Switzerland, Australia, New Zealand, US, UK

Bottom for average value of 2015 budget: Greece, Russia, Indonesia, Malaysia, Thailand, Turkey

Market	Estimate of 2015 spend ($)
Switzerland	12,100
Australia	11,700
New Zealand	9,500
US	8,700
UK	8,400
Germany	7,600
Canada	6,900
Austria*	6,800
Ireland	6,300
China	5,900
Japan	5,700
France	5,500
Argentina*	4,900
Spain	4,600
South Africa	4,300
India	4,100
Brazil	4,100
Italy	3,900
Portugal	3,400
Greece	3,100
Russia	2,900
Indonesia	2,800
Malaysia	2,700
Thailand	2,700
Turkey	2,500

Base: All consumer respondents who gave an actual value for their 2014 spend and for their 2015 budget . All bases are above 100, except Argentina (n=68) and Austria (n=85). See appendix for full explanation of spend analysis

Mean annual travel spend (in local currency)

Top for increase in intended traveler spend

Market	Average spent in 2014	Average spend estimated for 2015	Average no. of travelers 2015 budget will cover	% diff in value between 2015/2014
Thailand	65,100	87,900	3	35%
Argentina*	32,200	42,600	2	32%
New Zealand	10,200	12,600	2	24%
China	30,000	36,900	2	23%
South Africa	41,900	50,100	3	20%
Australia	12,500	14,900	2	19%
India	217,800	255,100	3	17%
Ireland	4,900	5,600	2	14%
Indonesia	32,150,000	36,008,000	2	12%
UK	5,100	5,500	2	8%
Germany	6,400	6,700	2	5%
Canada	8,300	8,600	2	4%
Brazil	11,200	11,700	2	4%
Malaysia	9,500	9,800	2	3%
Switzerland	11,300	11,500	2	2%
Austria*	5,900	6,000	2	2%
France	4,800	4,900	2	2%
Spain	4,100	4,100	3	0%
US	8,700	8,700	3	0%
Italy	3,400	3,400	2	0%
Greece	2,700	2,700	2	0%
Turkey	6,400	6,100	2	-5%
Portugal	3,400	3,000	2	-12%
Russia	204,800	180,000	2	-12%
Japan	783,000	676,200	2	-14%

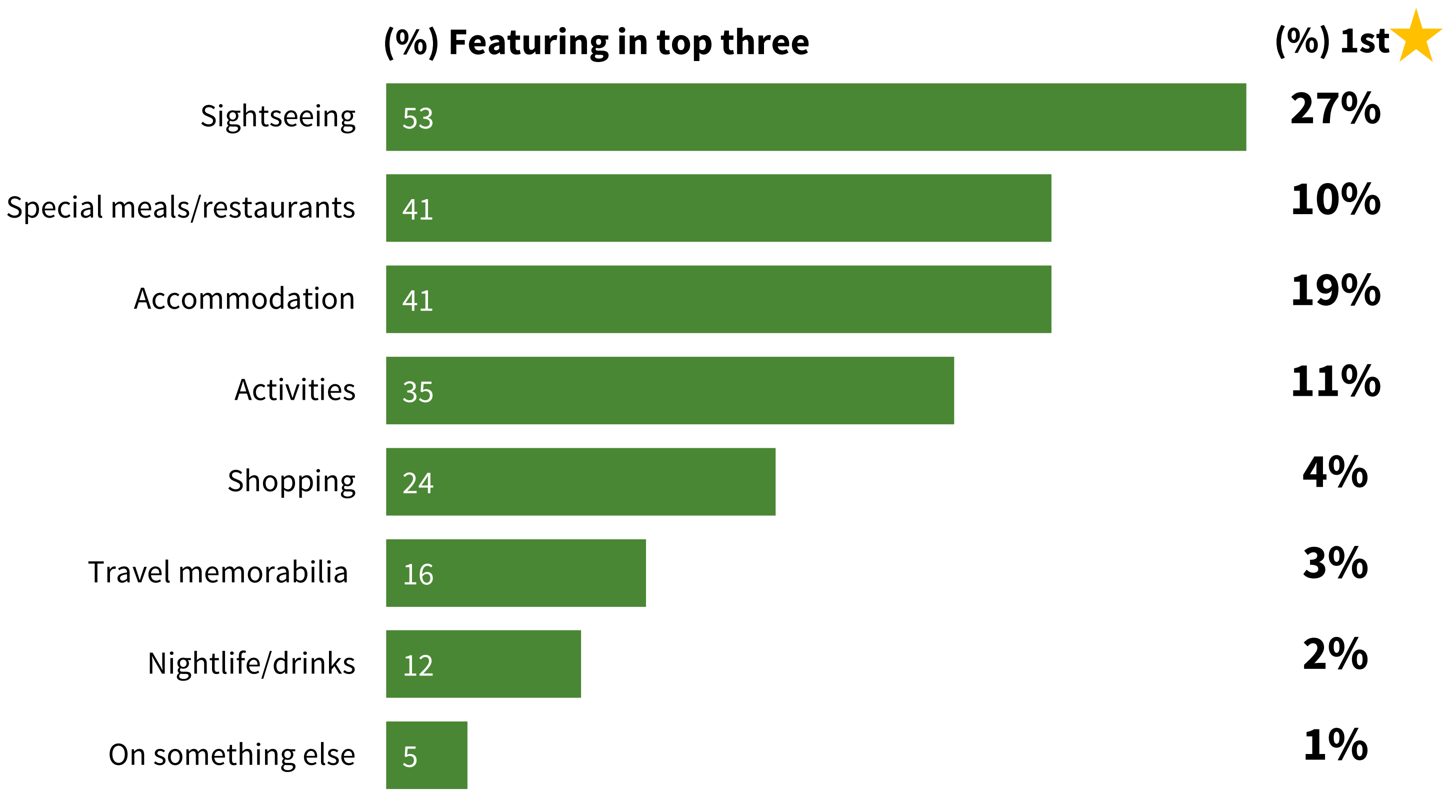
Decrease in intended traveler spend

Base: All consumer respondents who gave an actual value for their 2014 spend and for their 2015 budget . All bases are above 100, except Argentina (n=68) and Austria (n=85). See appendix for full explanation of spend analysis

Top three things to spend money on as a special treat when on holiday/vacation: ranked first

- Travel budgets will often include an element set aside for special treats. We asked travelers for their top three special treats and found sightseeing topping the list ranked first by one in three millennials.
- Families are notable as the group most likely to put accommodation at the top of their list as something they spend money on as a special treat.

Top three things to spend money on as a special treat when on vacation (%)



Significant life stages

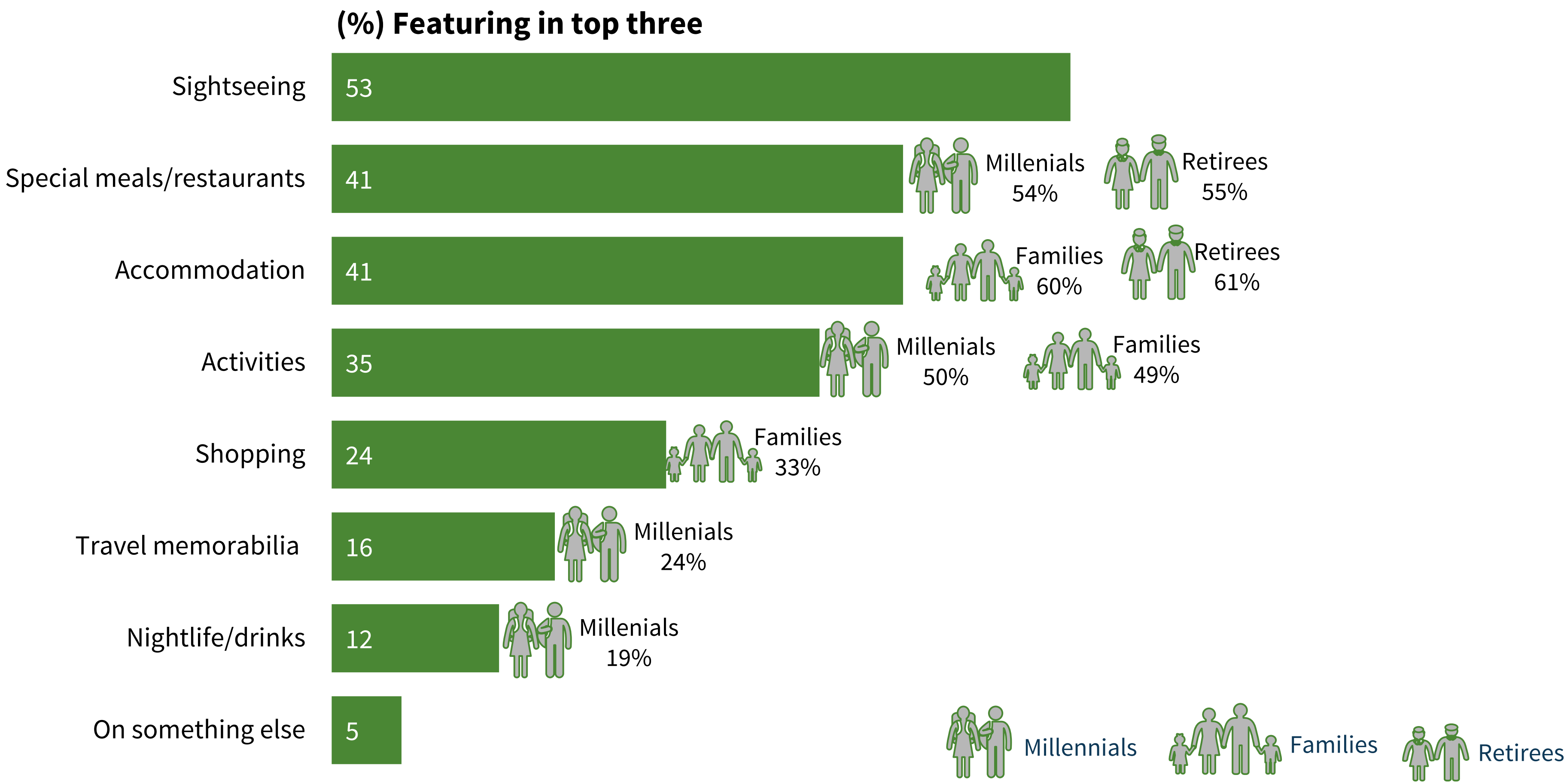
Millennials 31%

Families 30%

CQ28. Which, if any, of these are in your top 3 things to spend money on as a special treat for you or your travel companions when you're on holiday/vacation? Base: All consumer respondents (34,016)

Top three things to spend money on as a special treat when on holiday/vacation: ranked first

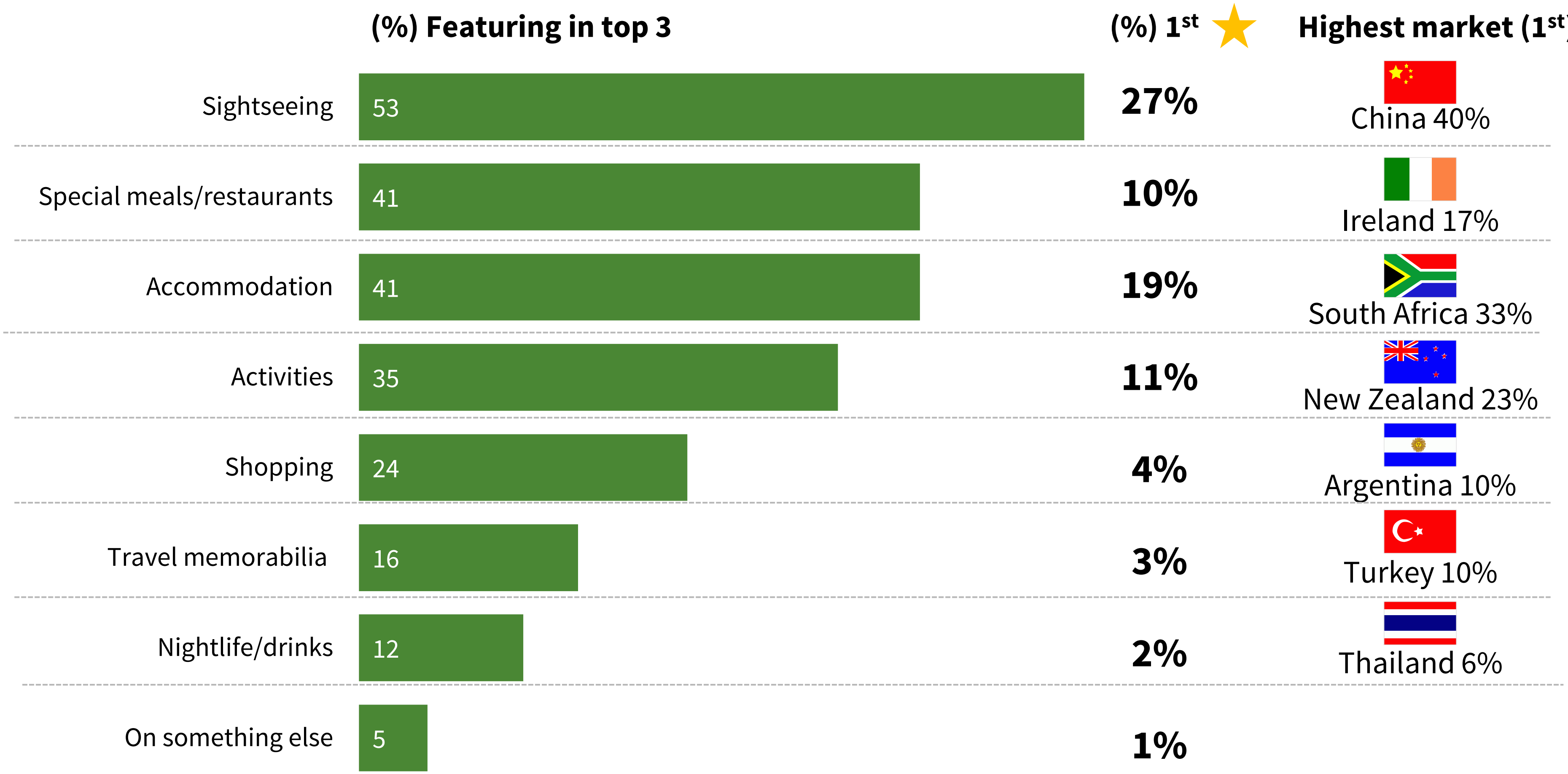
- The special treats included in their Top three reflect the traveler's life stage, with retirees amongst the most likely to spend their treat money on accommodation and special meals.
- Millennials also treat themselves to meals out, but also activities, travel memorabilia and nightlife, and they do so more than any other life stage group.



CQ28. Which, if any, of these are in your top three things to spend money on as a special treat for you or your travel companions when you're on holiday/vacation? Base: All consumer respondents (34,016)

Top three things to spend money on as a special treat when on holiday/vacation: ranked first

- By market, travelers from China are most likely to put sightseeing at the top of their list.
- New Zealanders are twice as likely as travelers overall to spend their 'treat money' on activities.



CQ28. Which, if any, of these are in your top 3 things to spend money on as a special treat for you or your travel companions when you're on holiday/vacation? Base: All consumer respondents (34,016)

Top three things to spend money on as a special treat when on holiday/vacation: ranked first

- Half of all travelers from the UK put special meals in their top three special treat items.
- The Turkish are keen travel memorabilia buyers, and the Indonesians are keen shoppers on vacation.

	(%) Featuring in top three	Highest market	Lowest market
Sightseeing	53	Indonesia 67%	Ireland 43%
Special meals/restaurants	41	UK 50%	India 26%
Accommodation	41	Thailand 58%	Russia 28%
Activities	35	New Zealand 54%	Brazil 23%
Shopping	24	Indonesia 43%	US 12%
Travel memorabilia	16	Turkey 41%	Ireland 7%
Nightlife/drinks	12	Thailand 22%	Switzerland, Malaysia & Japan 8%
On something else	5		

CQ28. Which, if any, of these are in your top 3 things to spend money on as a special treat for you or your travel companions when you're on holiday/vacation? Base: All consumer respondents (34,016)

Frequency of Travel

- Three in four plan to take an international trip in 2015, however we see that the gap between planning to go and actually going is much greater.
- Domestic travel is more stable, with nine in 10 intending to go on at least one domestic vacation in the next 12 months. This is much more in line with actual behavior.

Proportion of travelers taking trips: international leisure

- Retirees are the group most likely to have taken international leisure trips over the last two years, and to have done so most often: they plan to maintain this over 2015.
- Each year more travelers plan to take international trips than do eventually take them. If international travel follows 2014's pattern then we should see similar proportions of millennials and retirees traveling abroad. However families' intention to travel abroad is significantly down year-over-year, implying that half or less of families will take international trips in 2015.

International Leisure	% Actually took a trip in 2013	Mean trips taken in 2013	% Planned to take a trip in 2014	Mean trips planned to take in 2014	% Actually took a trip in 2014	Mean trips taken 2014	% Plan to take a trip in 2015	Mean trips planned for 2015
Global Average	65	1.9	77	2.04	63	1.8	78	2.1
Millennials	61	1.8	76	2.0	65	1.8	81	2.1
Families	67	1.9	79	2.04	56	1.5	70	1.8
Retirees	75	2.2	84	2.2	73	2.2	84	2.3

(2014) CQ5. How many trips where you have stayed away for one night or more have you taken in the last 12 months ? (50,637)
(2014) CQ5. How many trips where you have stayed away for one night or more o you expect to take in the next 12 months? (50,637)
(2015) CQ2. How many trips where you have stayed away for one night or more have you taken in the last 12 months? (34,016)
(2015) CQ3. How many trips where you will stay away for one night or more do you expect to take in the next 12 months? (34,016)

Proportion of travelers taking trips: domestic leisure

- International leisure travel is more aspirational than domestic leisure, as evidenced by higher proportions aspiring to take trips than end up taking them. In contrast, planned domestic trips closely match the frequency of trips taken.
- The domestic leisure market is looking buoyant in 2015 and across all life stages with nine out of 10 travelers planning an average of three trips in 2015.

Domestic Leisure	% Actually took a trip in 2013	Mean trips taken in 2013	% Planned to take a trip in 2014	Mean trips planned to take in 2014	% Actually took a trip in 2014	Mean trips taken 2014	% Plan to take a trip in 2015	Mean trips planned for 2015
Global Average	87	3.3	90	3.2	86	3.1	90	3.1
Millennials	88	3.3	91	3.28	88	3.1	91	3.2
Families	88	3.2	91	3.16	88	3.0	91	3.0
Retirees	86	3.3	91	3.2	85	3.3	90	3.3

(2015) CQ2. How many trips where you have stayed away for one night or more have you taken in the last 12 months?
(2014) CQ5. How many trips where you have stayed away for one night or more have you taken in the last 12 months ?
(2015) CQ3. 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 (34,016)

Proportion of travelers taking trips: business

- One-third of travelers took a domestic business trip in 2014, with families taking the greatest number.
- Estimations for next year's business travel is closely aligned to their actual behavior in 2014.

	Domestic Business				International Business			
	% Actually took a trip in 2014	Mean trips taken 2014	% Plan to take a trip in 2015	Mean trips planned for 2015	% Actually took a trip in 2014	Mean trips taken 2014	% Plan to take a trip in 2015	Mean trips planned for 2015
Global Average	34	1.36	37	1.46	16	0.54	20	0.62
Millennials	33	1.14	36	1.23	15	0.45	20	0.54
Families	44	1.98	48	2.09	23	0.81	29	0.93
Retirees	25	1.06	25	1.02	12	0.44	13	0.43

(2015) CQ2. How many trips where you have stayed away for one night or more have you taken in the last 12 months? (34,016)
(2015) CQ3. How many trips where you will stay away for one night or more do you expect to take in the next 12 months? (34,016)

Proportion of travelers taking trips in 2014

- Amongst the top 10 nationalities to take international leisure trips in 2014, it was more aspirational for Russian travelers than others, with a difference of 15% between those who intended to travel and those who did in 2014.
- The nationalities least likely to have taken an international trip in 2014 are Turkish, South African and Indian (40% in each market took an international trip).

International Leisure % *(Top 10)*

	Actually took in 2014	Planned to take in 2014
Austria	98	99
Switzerland	97	99
Germany	91	97
UAE	89	97
Ireland	87	96
Israel	87	97
UK	83	91
Canada	82	92
Russia	81	96
France	80	90

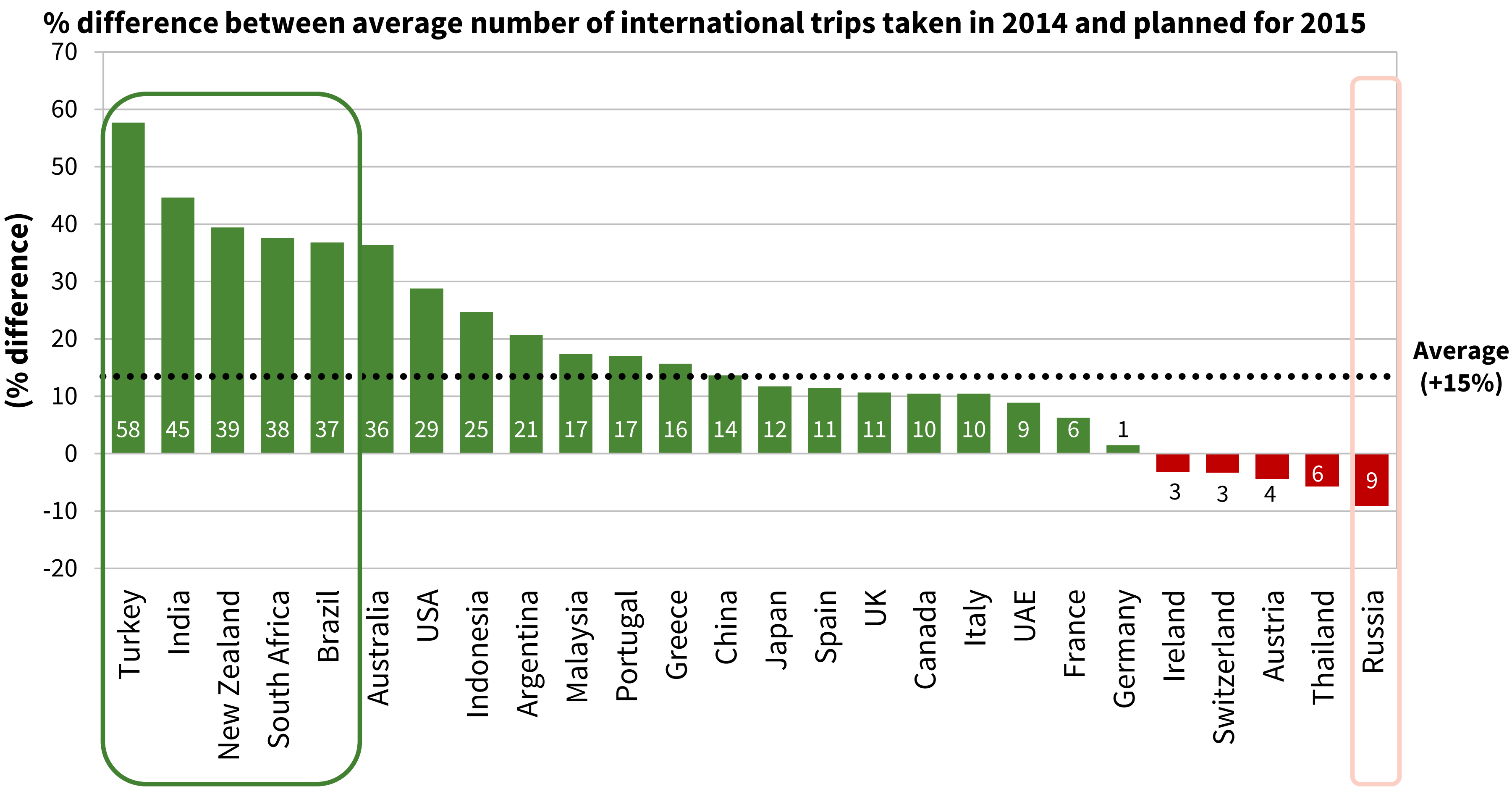
Domestic Leisure % *(Top 10)*

	Actually took in 2014	Planned to take in 2014
Indonesia	94	92
Thailand	93	94
China	92	94
US	92	97
Brazil	91	94
India	91	95
Japan	90	95
Mexico	90	94
Malaysia	89	91
New Zealand	89	90

CQ2 (2015). How many trips where you have stayed away for one night or more have you taken in the last 12 months? International Leisure
CQ6 (2014). 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 (34,016)

How is the average number of international trips changing?

- The average number of international leisure trips is set to increase by 15%.
- While six countries are expecting over 30% increase in the average number of international trips that residents take, Russians are more likely to stay at home this year with a 9% decrease in the average number of trips planned.



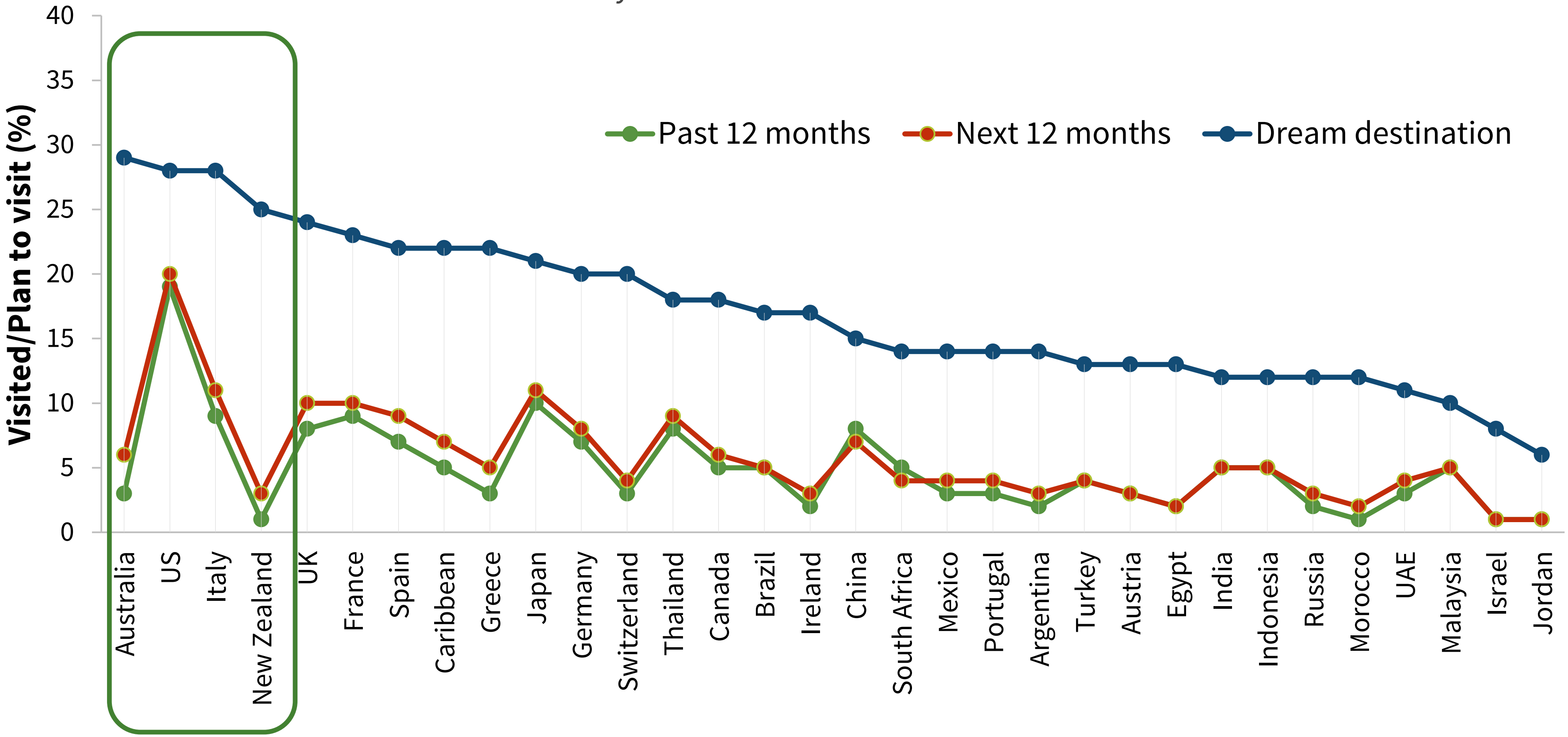
CQ2. How many trips where you have stayed away for one night or more have you taken in the last 12 months?
CQ3. How many trips where you will stay away for one night or more do you expect to take in the next 12 months?
Base: All consumer respondents (34,016)

Destinations

- Europe, Asia and North America remain the most popular destination regions for next year's travel.
- The top dream destinations are Australia, US, Italy and New Zealand and have a broad appeal, regardless of life stage.
- The most common reasons given for choosing a destination is that they have always wanted to go there, or for sightseeing or activities.

Top destinations for international travelers: past and future

- When we compare the destinations travelers have visited with those they plan to visit we see a very similar pattern, with next year's plans reflecting countries visited last year. The most popular destination in 2014, and for 2015, is the US.
- Travelers also told us the destinations they would love to go in the next two years if money were no object: these are their dream destinations. Australia, US and Italy stand out as dream locations.
- The gap between those who have been, and those who would love to go to Australia and New Zealand is wide: both destinations are more dream than reality.

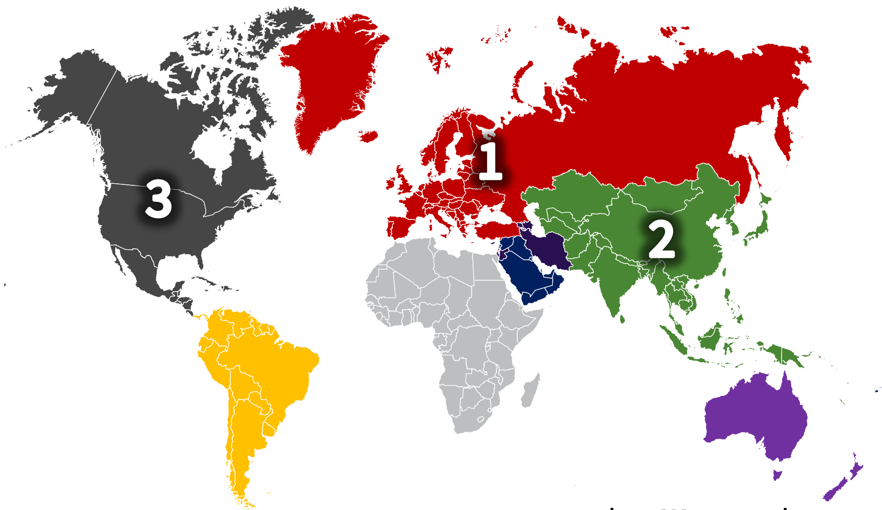


2015: CQ4. Thinking about these trips, which countries have you visited in the last 12 months? Which countries are you planning to visit in the next 12 months? And which countries would you love to visit in the next 24 months if money were no object?
Base: All consumer respondents (34,016)

Where people are planning to visit

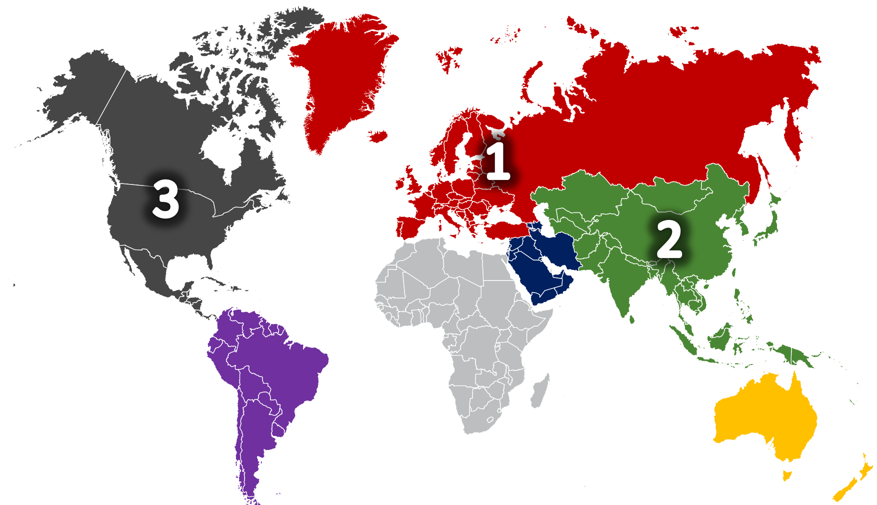
- The top three regions travelers plan to visit this year, and as a dream destination in the next two years, have remained constant since 2013. Africa on the other hand, has moved from mid-table to bottom ranking in 2015 as a destination.

Next 12 months



		2015	2014*	W2 2013*
Europe	●	1	1	1
Asia	●	2	2	3
North America	●	3	3	2
South America	●	4	5	4
Australasia	●	5	6	6
Middle East	●	6	7	5
Africa	●	7	4	7

Dream destination (next 24 months)



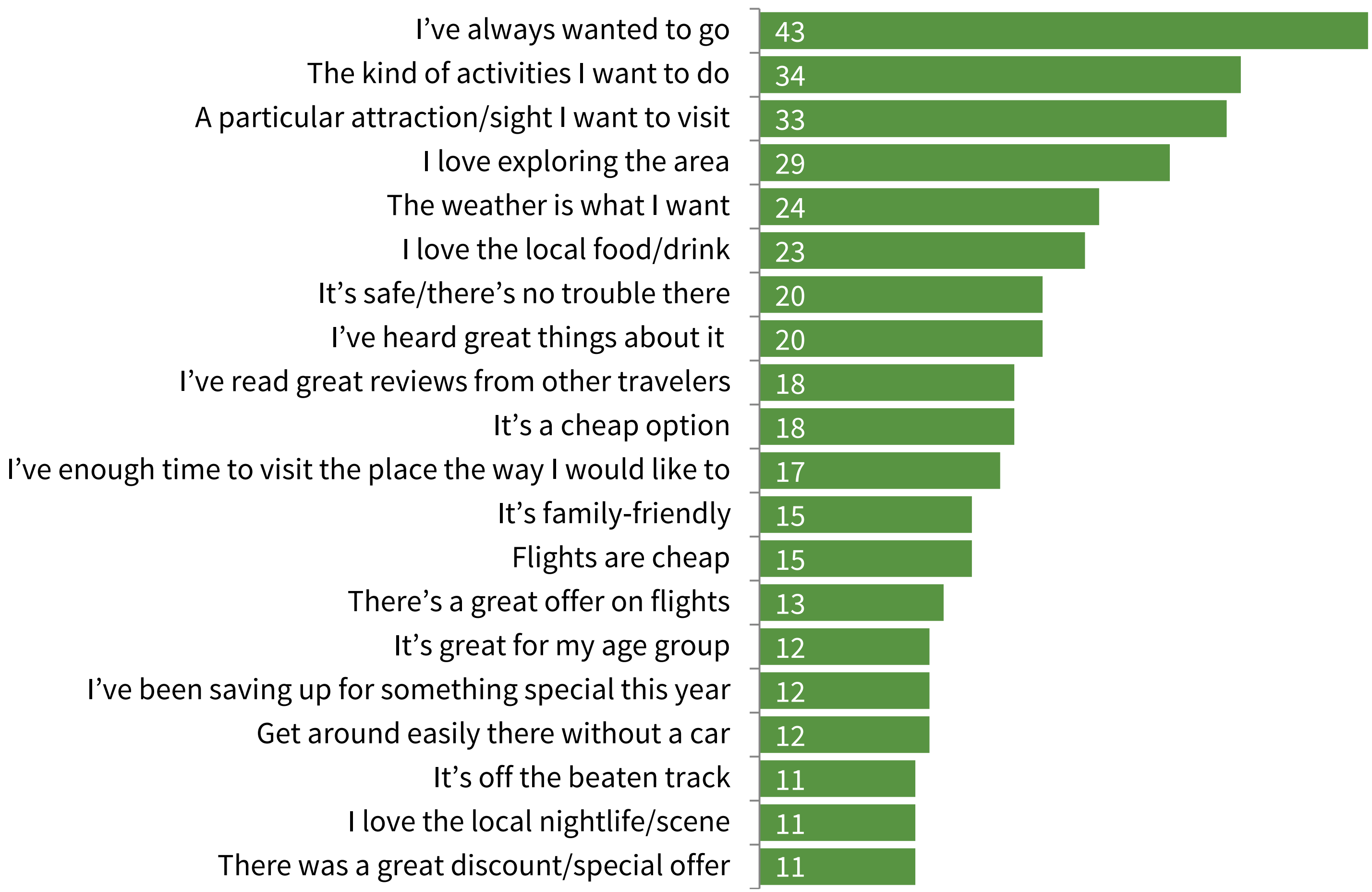
		2015	2014*	W2 2013*
Europe	●	1	1	1
Asia	●	2	2	2
North America	●	3	3	3
Australasia	●	4	4	3
South America	●	5	6	7
Middle East	●	6	7	5
Africa	●	7	5	6

NB: Question was single code in W2 2013 so ranks shown. *Re-ranked to 2015 regions.
2015: CQ4, 2014: CQ7. Thinking about these trips, which countries have you visited in the last 12 months?
W2 2013: Q10. Where are you planning to travel in the next 12 months?
Base: 2015: All consumer respondents (34,016), Base: 2014: (50,637) Base: W2 2013: (19,687)

Top 20 reasons for traveling to destination in next 12 months

- Regardless of country of residence, or country they plan to visit, the most common reason given for choosing a destination is that they have always wanted to go to there.
- Activities and attractions/sights to see are also top reasons for visiting; an importance we also saw reflected in travelers' tendencies to spend their special treat money on sightseeing.

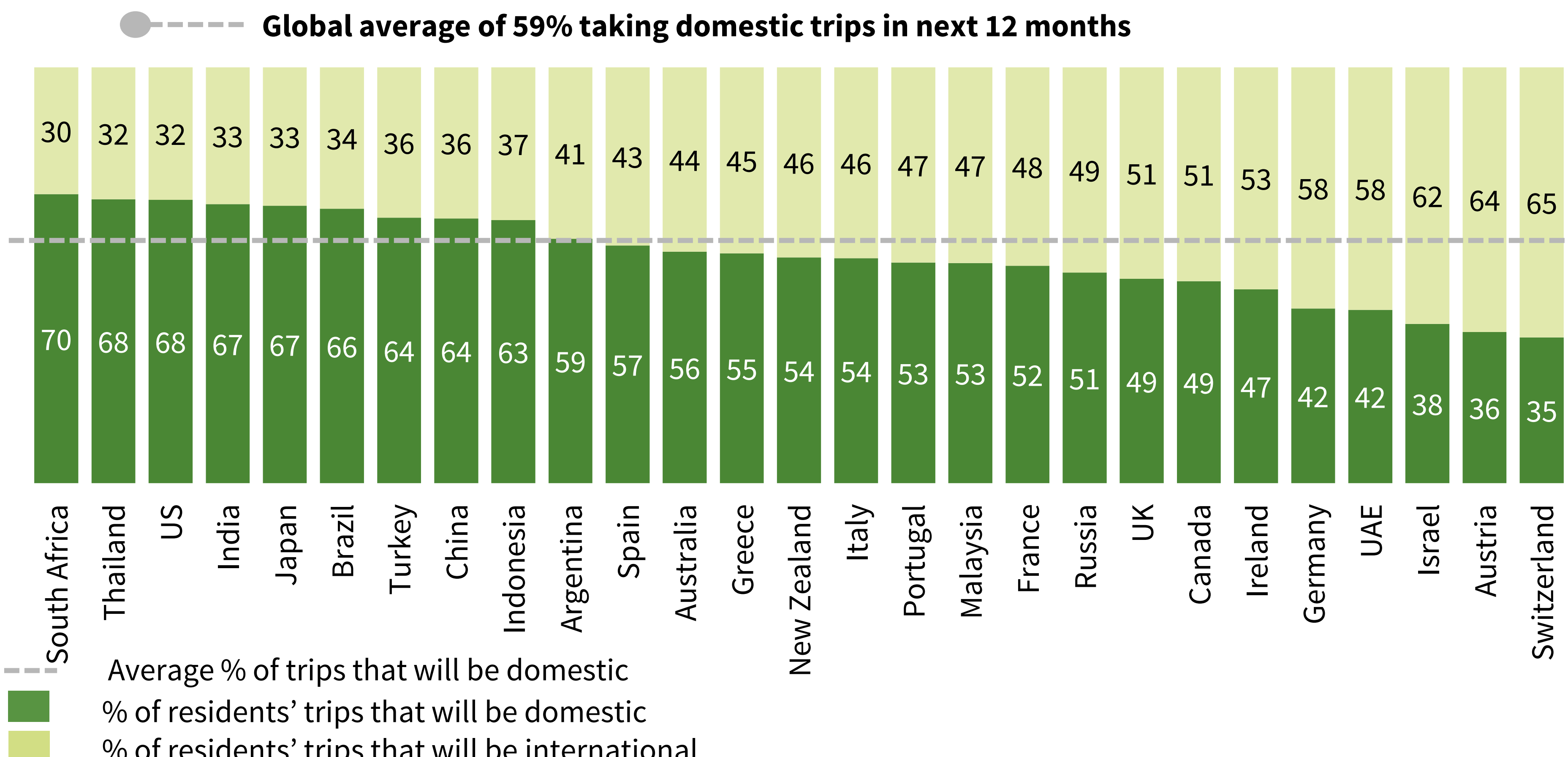
Main reasons for traveling to destination in next 12 months (%) – Top 20



CQ5. What are the main reasons you've chosen to go to a particular place for your main holiday/vacation in the coming 12 months?
All planning to visit a country in next 12 months (32,101)

Proportion of the average number of trips planned for 2015 that will be domestic or international

- By combining the average number of domestic and leisure trips planned for 2015 by market we can estimate the proportion of their travel that residents will take within their own country, and the proportion abroad.
- We saw earlier how businesses in Russia, US, Brazil and Australia in particular rely on the domestic market: with approximately 50% of trips taken by Russians and Australians to be overseas, this could a problem for the local market.



CQ3. How many trips where you will stay away for one night or more do you expect to take in the next 12 months? Domestic Leisure
Base: All consumer respondents (34,016)

Indication of 2015 vacation budget to be spent within own country (in local currency)

Top for % of trips to be domestic

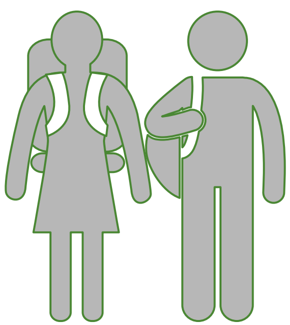
Bottom for % of trips to be domestic

Market	Average spend estimated for 2015	% of all 2015 trips to be domestic	Estimate of 2015 vacation budget to be spent in own country
South Africa	50,100	70	35070
Thailand	87,900	68	59772
US	8,700	68	5916
India	255,100	67	170917
Japan	676,200	67	453054
Brazil	11,700	66	7722
Turkey	6,100	64	3904
China	36,900	64	23616
Indonesia	36,008,000	63	22685040
Argentina	42,600	59	25134
Spain	4,100	57	2337
Australia	14,900	56	8344
Greece	2,700	55	1485
New Zealand	12,600	54	6804
Italy	3,400	54	1836
Portugal	3,000	53	1590
Malaysia	9,800	53	5194
France	4,900	52	2548
Russia	180,000	51	91800
UK	5,500	49	2695
Canada	8,600	49	4214
Ireland	5,600	47	2632
Germany	6,700	42	2814
Austria	6,000	36	2160
Switzerland	11,500	35	4025

CQ3. How many trips where you will stay away for one night or more do you expect to take in the next 12 months? Domestic Leisure
CQ23. Thinking about your total spending in the next 12 months, how much do you intend to spend on your holidays/vacations?

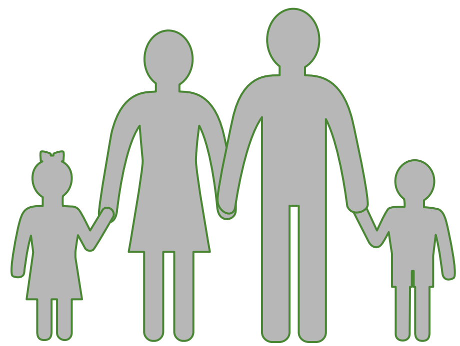
Where travelers from different life stages would love to visit in the next 24 months

- The top dream destinations are Australia, US, Italy and New Zealand and have a broad appeal, regardless of life stage.
- In addition to these markets, France, sixth overall, is particularly popular with millennials and families.



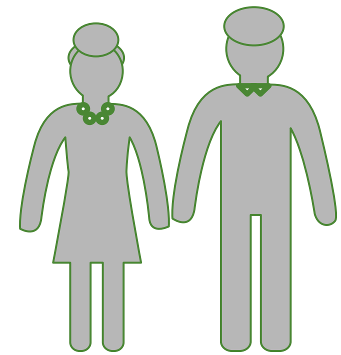
Millennials

1. Australia = 36%
2. Italy = 34%
3. New Zealand = 32%
4. US = 32%
5. France = 30%



Families

1. Australia = 27%
2. Italy = 27%
3. US = 27%
4. New Zealand = 24%
5. Caribbean = 24%



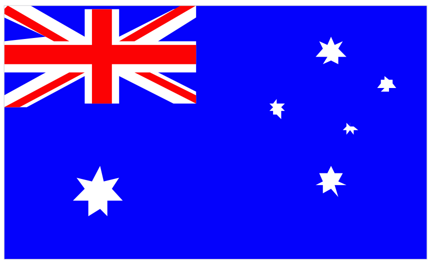
Retirees

1. Italy = 22%
2. Australia = 21%
3. US = 20%
4. New Zealand = 20%
5. UK = 16%

2015: CQ4. 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 (34,016), Millennials (6,863), Families (5,668), Retirees (5,319)

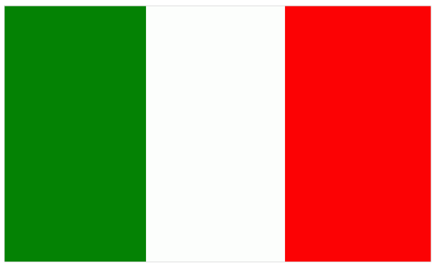
Which nationalities are most attracted to the top three dream destinations?

- The nationalities most attracted to the top three dream destinations are North Americans, with four in 10 travelers keen to visit Australia or Italy in the next two years if money were no object. In return, similar proportions of Australians dream of visiting Italy and the US.
- The US is a particularly popular destination for nearly half of all Turkish travelers.



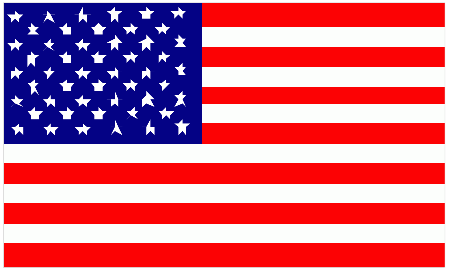
29% would love to visit Australia

1. Americans = 42%
2. Canadians = 41%
3. Portuguese = 41%
4. Austrian = 37%



28% would love to visit Italy

1. Americans = 43%
2. Canadians = 40%
3. Australians = 39%
4. Mexicans = 39%
5. Brazilians = 39%



28% would love to visit US

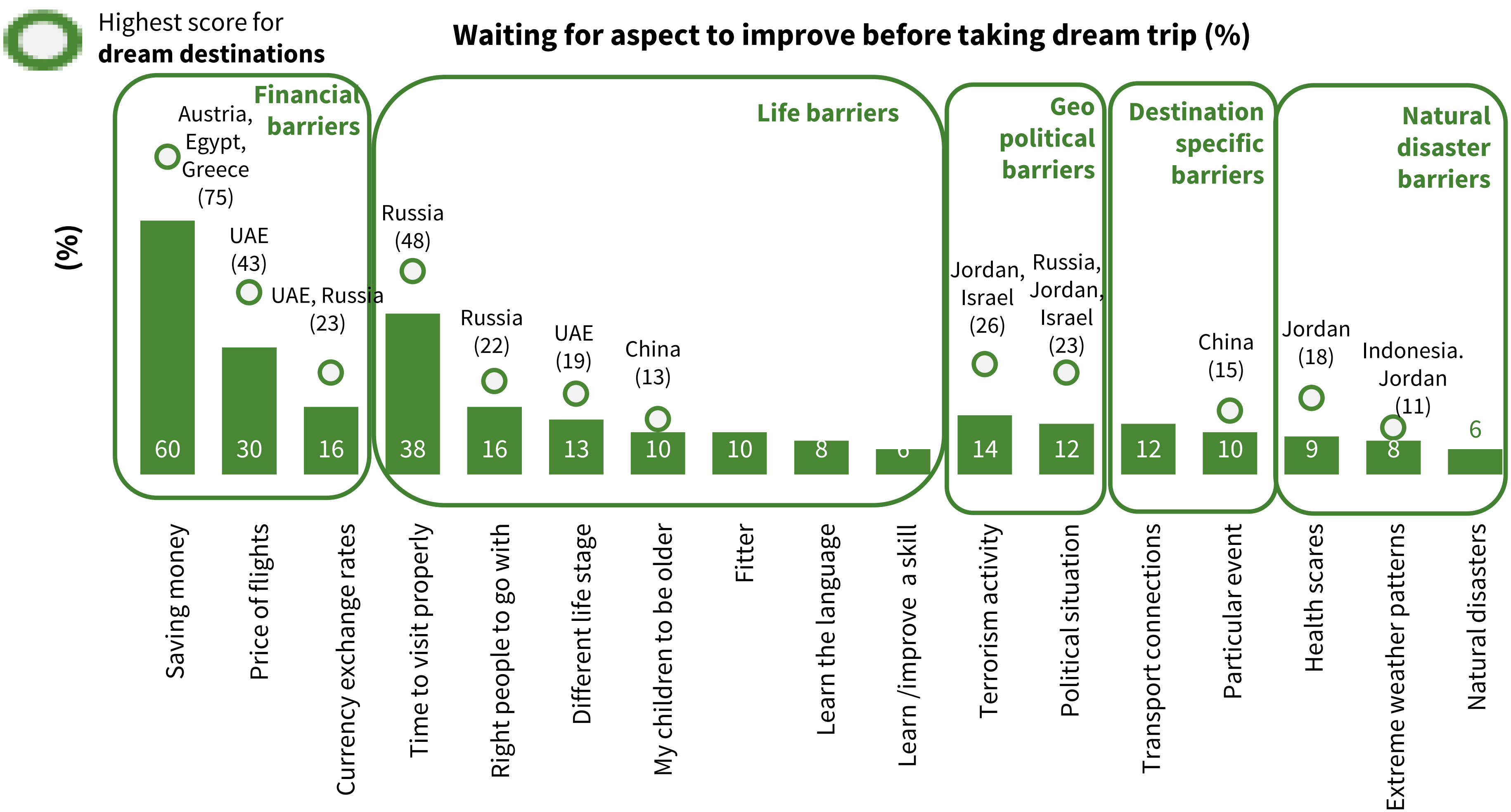
1. Turkish = 45%
2. Irish = 40%
3. Australians = 40%
4. Greece = 39%
5. New Zealand and South Africa = 38%

2015: CQ4. 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 (50,637), Millennials (9,175), Families (24,888), Retirees (13,692)

Perceived barriers to visiting their dream destination

- Saving money is the reason most often given for why travelers are yet to go to their dream destination; this is particularly so for travelers that dream of going to Greece.
- Around half of those who want to go to Russia are waiting to have the time to do it properly, whilst one in four of those who want to go to Jordan and Israel are waiting for geo political barriers to be removed.

Waiting for aspect to improve before taking dream trip (%)



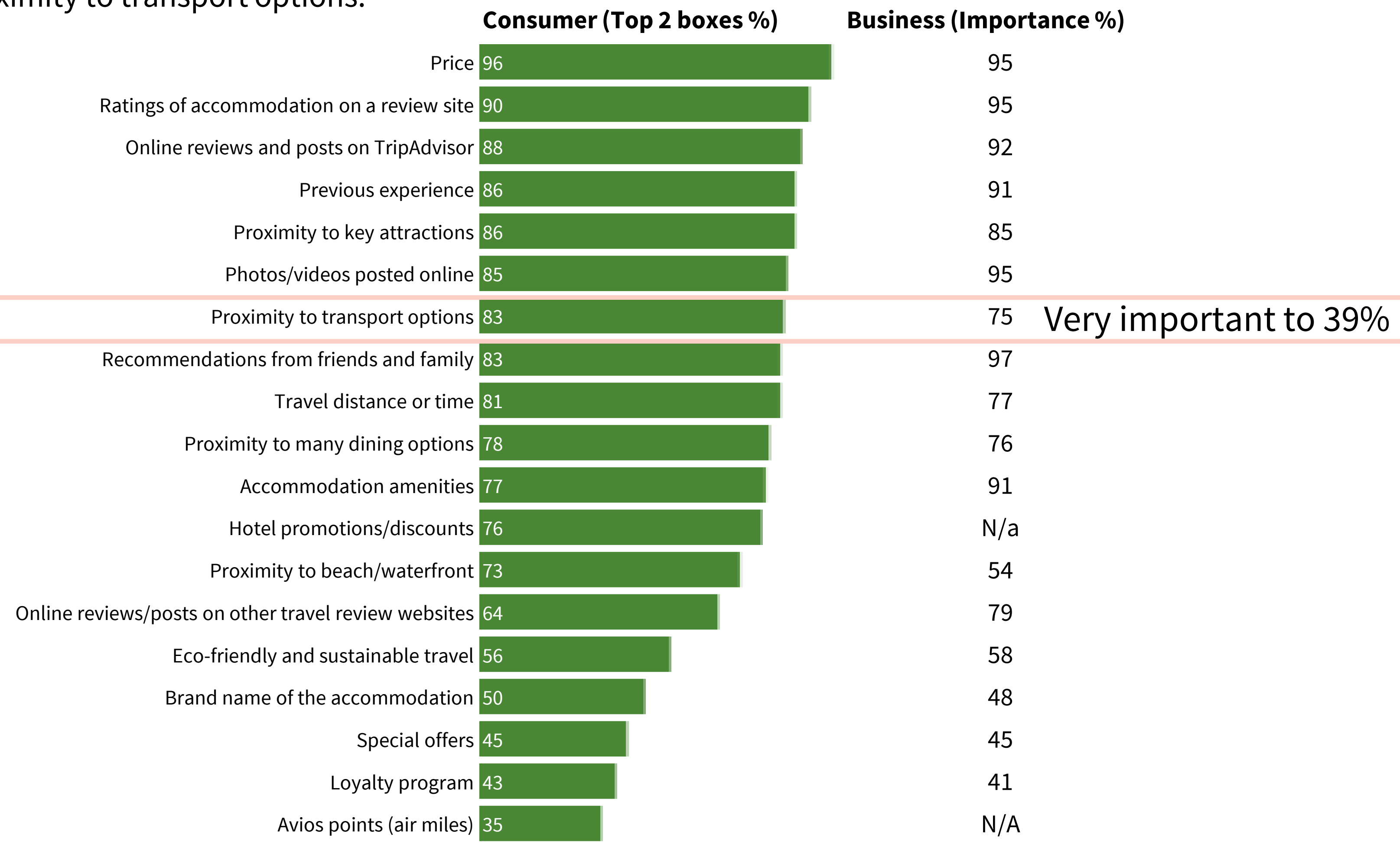
CQ6. Thinking of places you'd like to go to one day, are you waiting for any of the following to improve or change before you visit?
Base: All consumer respondents (34,016)

Impact of Amenities on Booking

- The accommodation's amenities are 'very important' to 39% of all consumers.
- Businesses overstate the importance of hotel amenities to travelers and understate the importance of proximity to transport options.
- Business travelers place more importance on having a king-size bed when making a booking decision than travelers overall: 41% compared to 33%.

Factors impacting decisions when booking accommodation

- Price is, unsurprisingly, the most important factor in the booking decision for nearly all travelers; a fact that businesses understand too, with 95% thinking that price is important.
- However, businesses are overstating the importance of hotel amenities to travelers and understating the importance of proximity to transport options.



CQ10. Thinking generally about your vacations, how important are each of the following in your final decision to book your accommodation? Base: All consumer respondents (29,251)

BQ12. How important do you think each of the following listed below are for guests when they're deciding to book your accommodation? Base: All business respondents (10,261)

Impact of amenities on booking decisions

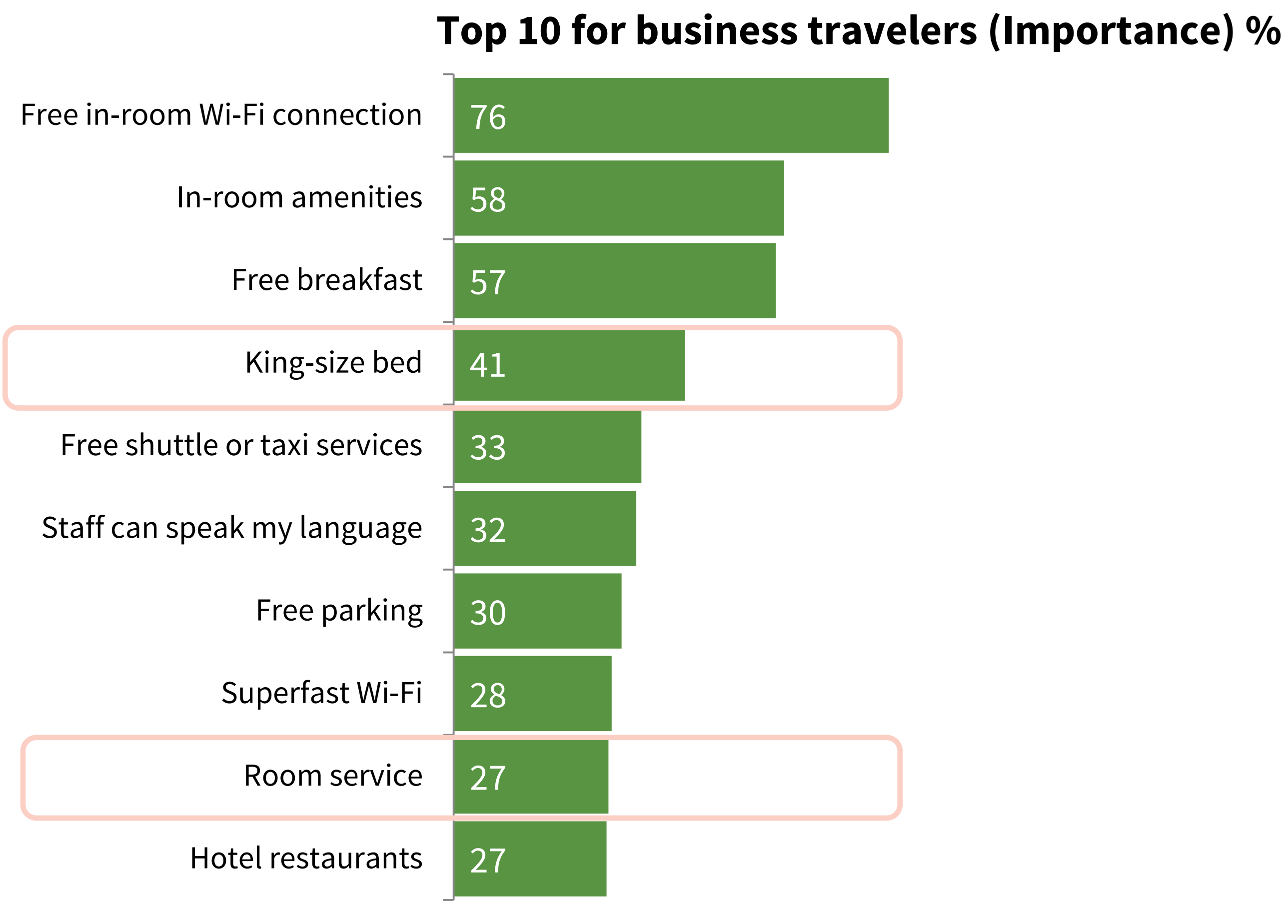
- The accommodation's amenities are ‘very important’ to 39% of all consumers when deciding where to book, and free in-room Wi-Fi connection is the amenity which most consider to be important when deciding on accommodation. Supply would seem to match this demand, with nine in 10 businesses offering it for free.
- Businesses should, however, look to change their focus from room service to free shuttle and taxi services.

	Consumer (Importance %)	% businesses offer for free	% businesses charge extra
Free in-room Wi-Fi connection	74	87	4
Free breakfast	60	67	21
In-room amenities	58	70	10
Free shuttle or taxi services	35	15	52
Staff can speak my language	35	N/A	N/A
King size bed	33	59	4
Free parking	32	80	10
Hotel restaurants	26	N/A	N/A
Super-fast Wi-Fi	24	53	4
Room service	21	38	20
Gym	12	17	4
Spa/beauty treatment	12	4	24
Kids’ Club	5	7	3
Babysitting service	2	5	23

CQ17. 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 (28,461)/ All business respondents (10,261)

Impact of amenities on booking decisions: Business Travelers

- Many of the travelers have been away on business trips in the past 12 months, 14% have been on more than four business trips. Amongst this group of business travelers, having a king-size bed is more important in their decision to chose accommodation than it is for travelers overall: 41% compared to 33%.
- These business travelers also value room service more than general consumers do in their booking decision.

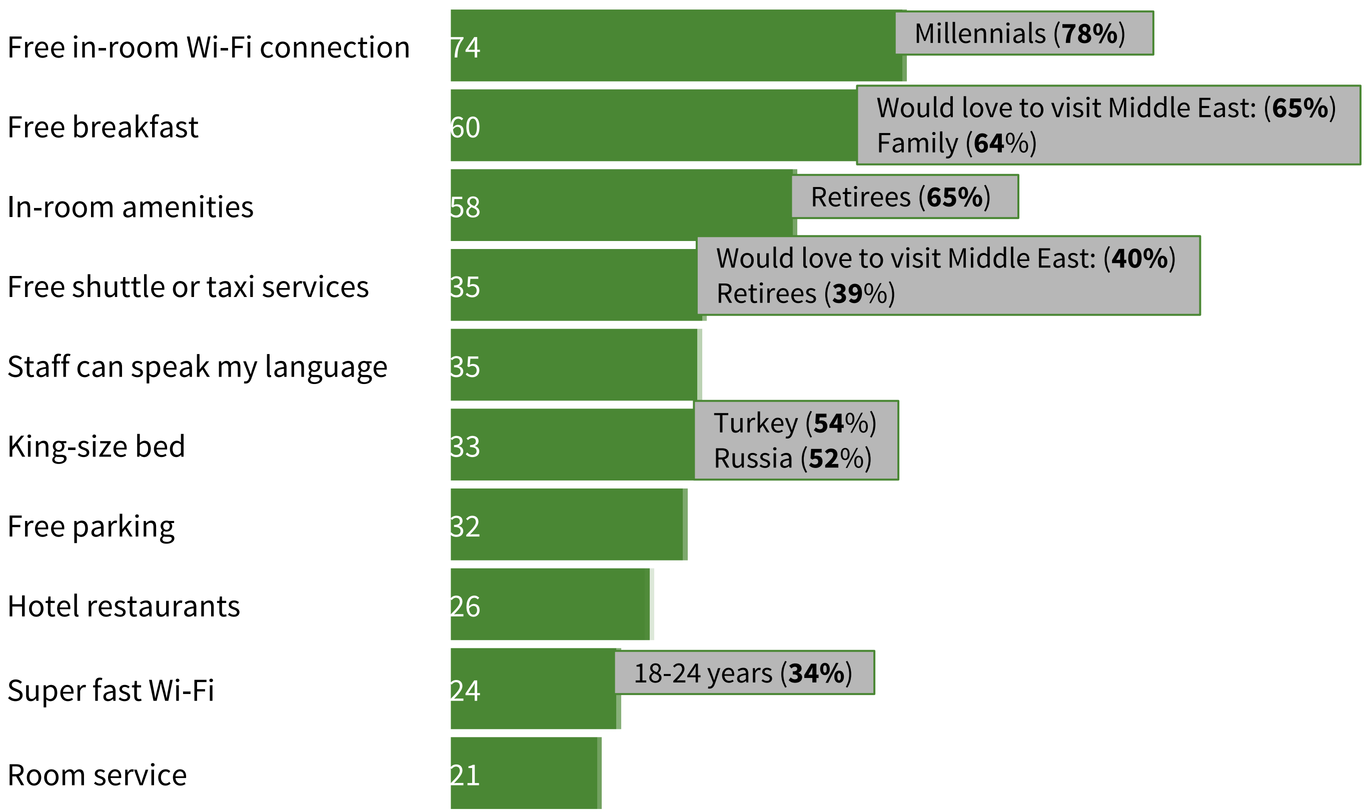


CQ17. Which of the following amenities are important to your decision making for accommodation?
Base: All business traveler respondents (4,979)

Impact of amenities on booking decisions

- Free in-room Wi-Fi is important to millennials more than it is to other life stage groups, and super fast Wi-Fi is notably important to 18-24 year-olds when deciding on accommodation.
- Free shuttle buses are important to four in 10 travelers who would love to visit the Middle East.

Consumer (Importance %) – *top 10 for consumers*



CQ17. Which of the following amenities are important to your decision making for accommodation?
Base: All consumer respondents (28,461)

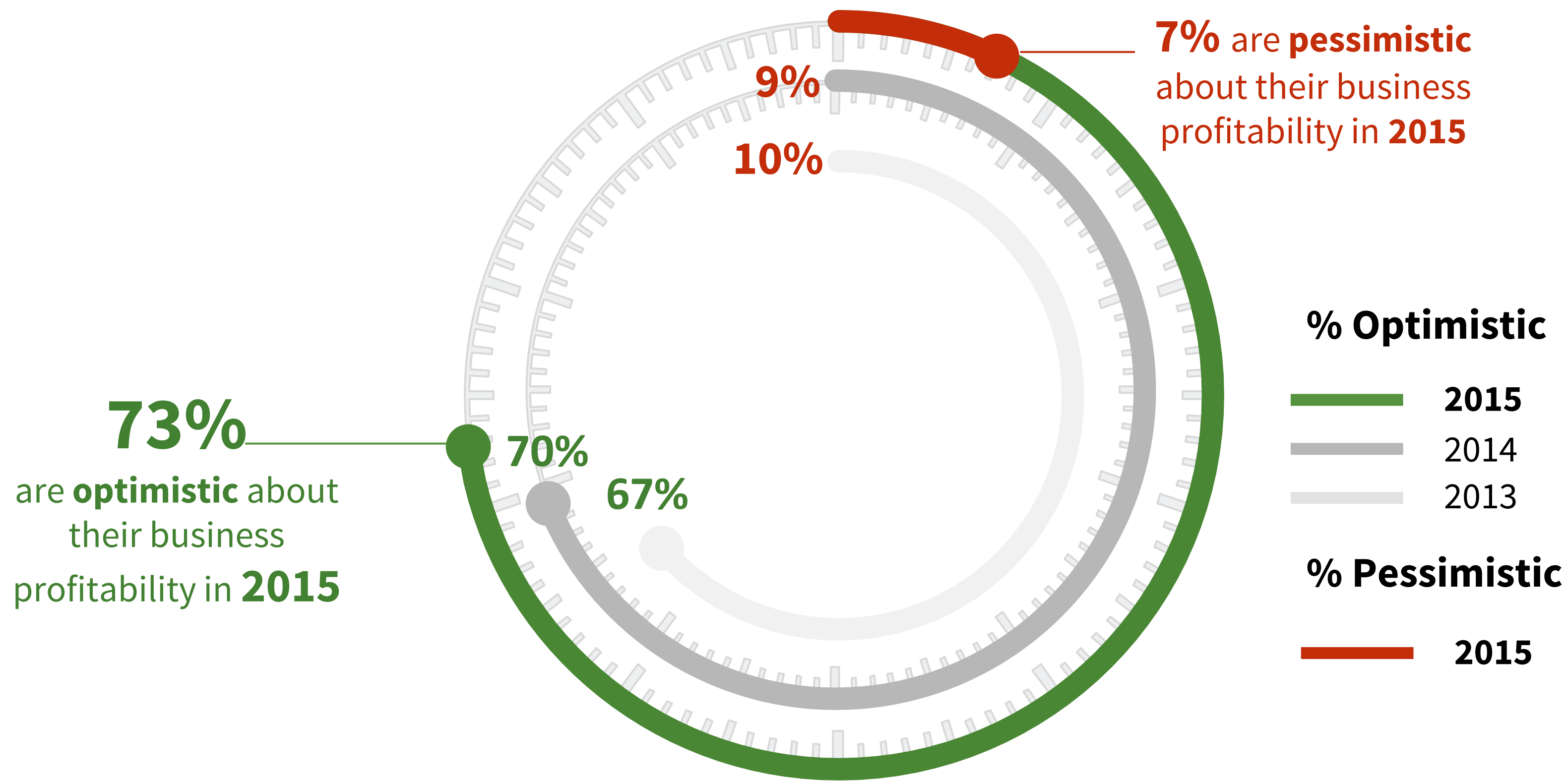
Business Optimism

- Business optimism continues to grow, as three in four businesses now feel optimistic about profitability in 2015.
- Optimism is highest in the boutique and luxury accommodation sector, and lowest at the economy/budget end.
- Regardless of how optimistic about profitability a business feels, online reputation management is the area where most hotels will be increasing their level of investment.

Business Optimism about profitability in 2015

- Businesses’ optimism about their profitability for the forthcoming 12 months has made small, but significant, improvements every year since 2013, the first year TripBarometer was conducted.

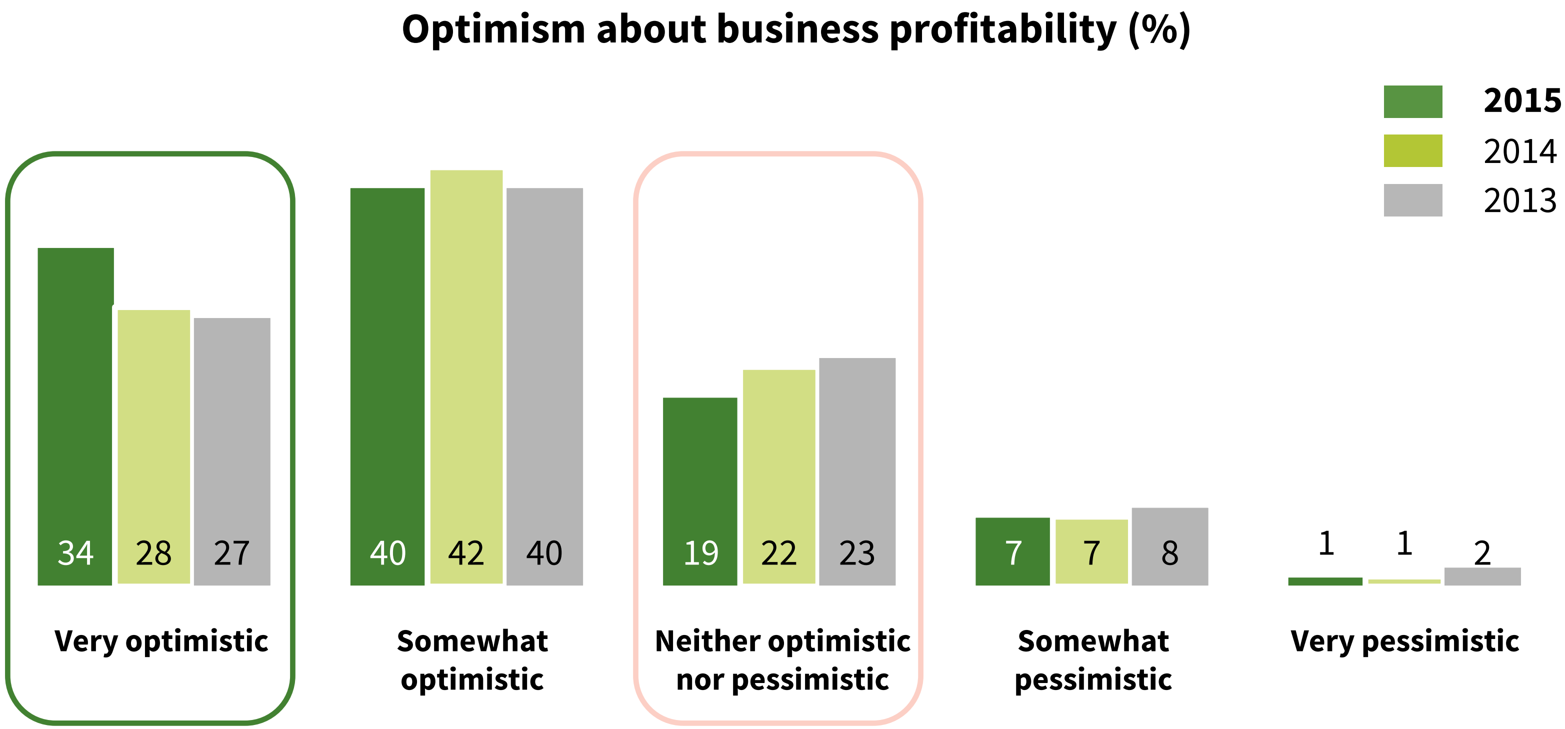
Optimism about business profitability (%)



BQ27. How optimistic or pessimistic are you about your business profitability in 2015?
Base 2015: All business respondents (10,261), 2014 : All business respondents (10,370), 2013: All business respondents (10,467)

How optimism has changed since 2013

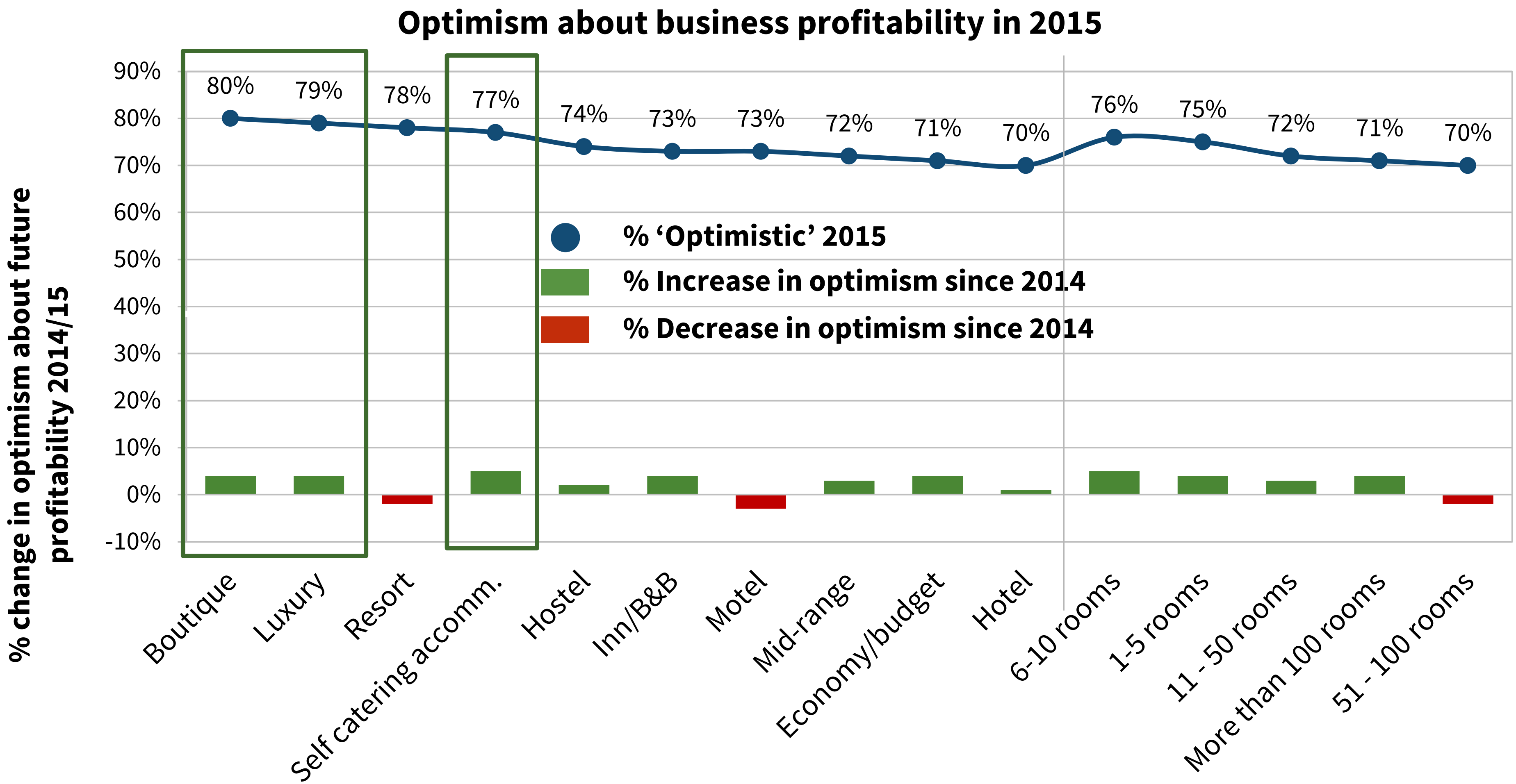
- The increasing optimism about profitability is being driven by a dramatic improvement in accommodations now feeling 'very optimistic' about the year ahead, as they move away from a more neutral position.



BQ27. How optimistic or pessimistic are you about your business profitability in 2015?
Base 2015: All business respondents (10,261), 2014 : All business respondents (10,370), 2013: All business respondents (10,467)

Changes in optimism across the sector

- Optimism is highest in the boutique and luxury accommodation sector, and lowest at the economy/budget end. However optimism at both ends of the spectrum is growing.
- We see the greatest year-over-year increase in optimism in the self catering accommodation sector; up five percentage points, compared to an overall sector increase of three percentage points.

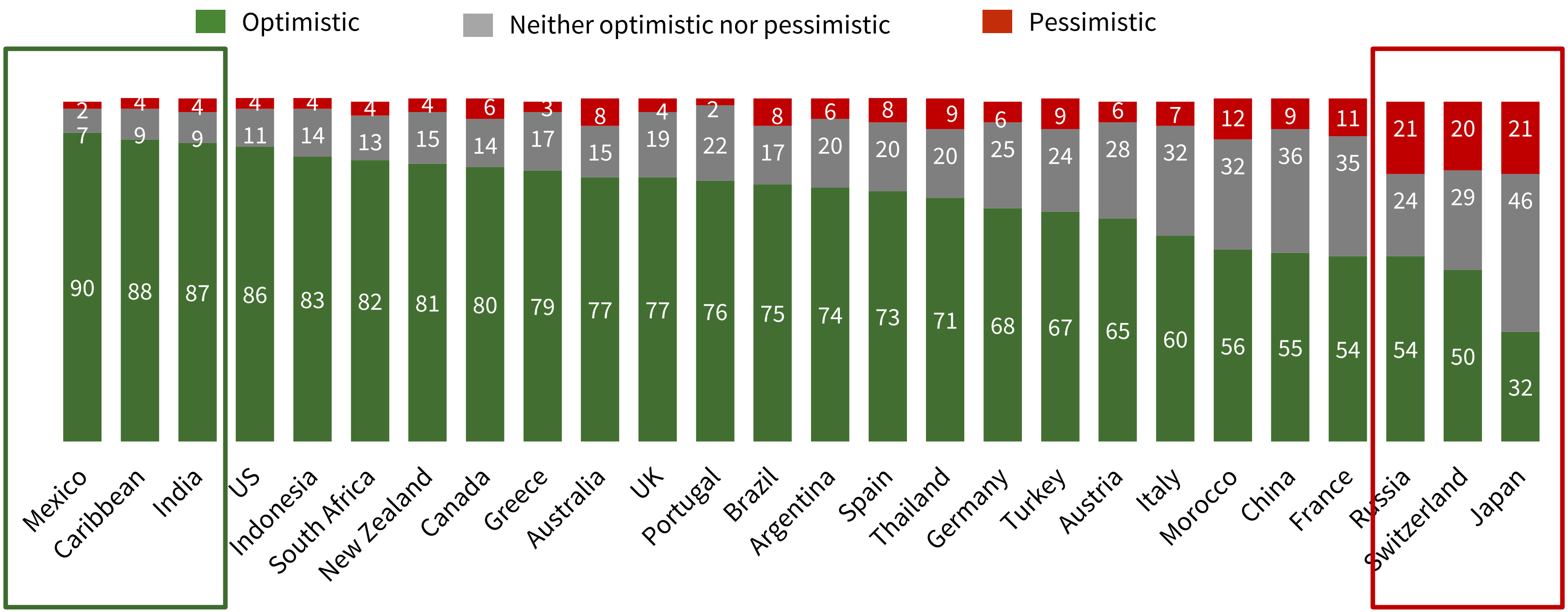


BQ27. How optimistic or pessimistic are you about your business profitability in 2015?
Base 2015: All business respondents (10,261) 2014 : All business respondents (10,370)

Optimism about profitability in 2015 across the markets

- Optimism is riding high for many markets most notably in Mexico, the Caribbean and India.
- In contrast, one in five businesses in Russia, Switzerland and Japan are feeling pessimistic about profitability.

Optimism about business profitability (%)



Planned investment in 2015

- We see the overall increase in optimism about profitability in 2015 coming through in businesses' intentions to invest more in many aspects of their business.

Investment in 2015

Change since 2014 (%)	NET: SPEND LESS %	Investment in 2015	NET: SPEND MORE %	Change since 2014 (%)
N/A	1	Online reputation management	60	N/A
-4	6	Small scale renovations	53	+5
-3	4	Marketing/Advertising (not search engine optimization or marketing)	51	+5
N/a	3	Traffic acquisition (search engine marketing or optimization)	50	N/a
-3	3	Staff training	47	+10
N/A	2	Improving broadband & mobile connectivity for guests	46	N/A
N/A	4	Providing technology amenities in rooms	35	N/A
-10	12	Large scale renovations	33	+6
-7	5	Back office	32	+10
N/A	2	Room distribution	32	N/A
-5	7	Staff hiring	27	+7

BQ20. Looking at 2015, are you planning to invest more, about the same or less in the following?
Base 2015: All business respondents (10,261) 2014 : All business respondents (10,370)

Planned investment in 2015 by optimistic and pessimistic businesses

- Regardless of how optimistic about profitability a business feels, online reputation management is the area where most hoteliers will be increasing their level of investment.
- Businesses feeling pessimistic about 2015's profitability are half as likely as those feeling 'very optimistic' to be investing in staff hiring, room distribution and large scale renovations.

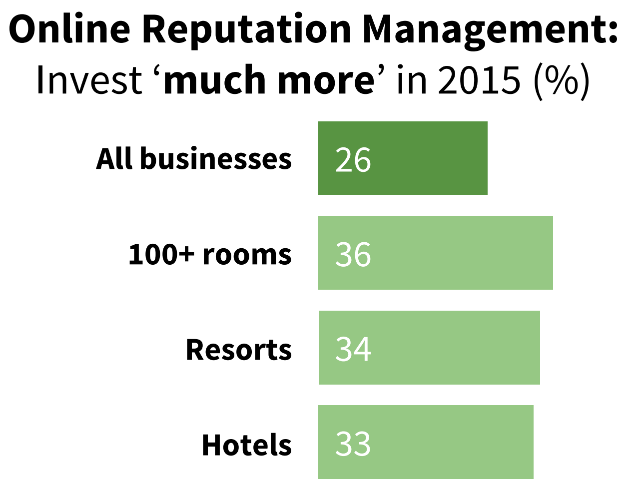
Investment in 2015 (NET MORE%)		Very Optimistic (%)	Somewhat Optimistic (%)	Pessimistic (%)
Online reputation management	60	67	61	50
Small scale renovations	53	61	52	40
Marketing/Advertising (not search engine optimization or marketing)*	51	61	51	39
Traffic acquisition (search engine marketing or optimization)	50	58	51	37
Staff training	47	58	46	31
Improving broadband & mobile connectivity for guests	46	54	45	36
Providing technology amenities in rooms	35	44	32	26
Large scale renovations	33	43	32	20
Back office	32	39	30	22
Room distribution	32	40	31	18
Staff hiring	27	35	26	15

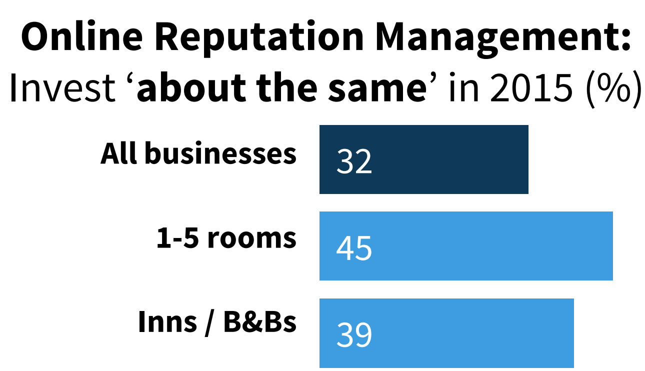
Ipsos

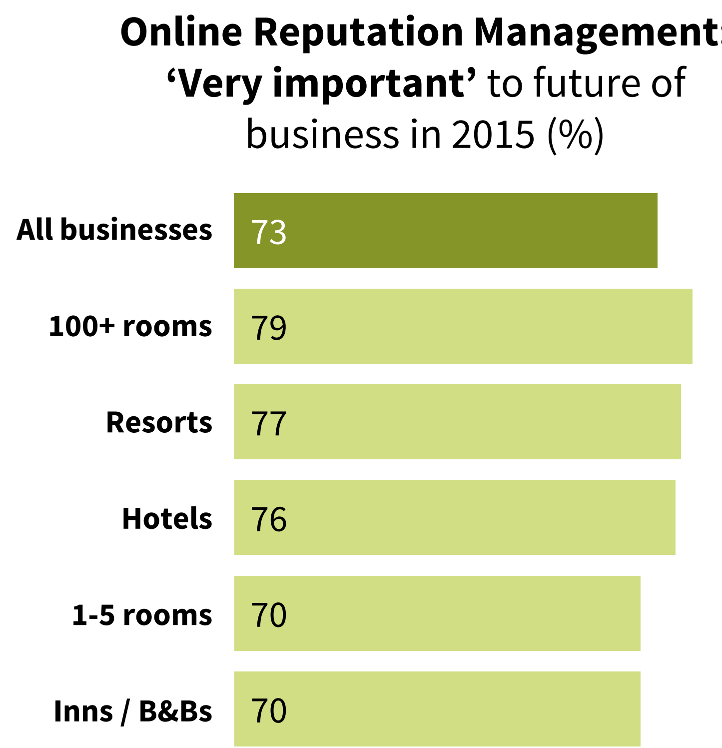
BQ20. Looking at 2015, are you planning to invest more, about the same or less in the following?
Base: All business respondents (10,261) Very Optimistic (3,453), Somewhat optimistic (4,057) Pessimistic (759)

Online reputation management by accommodation type

- One-third of the larger accommodation types are investing much more in their online reputation management; the smaller businesses maintain the same level, although still deem it to be 'very important' to the business' future.



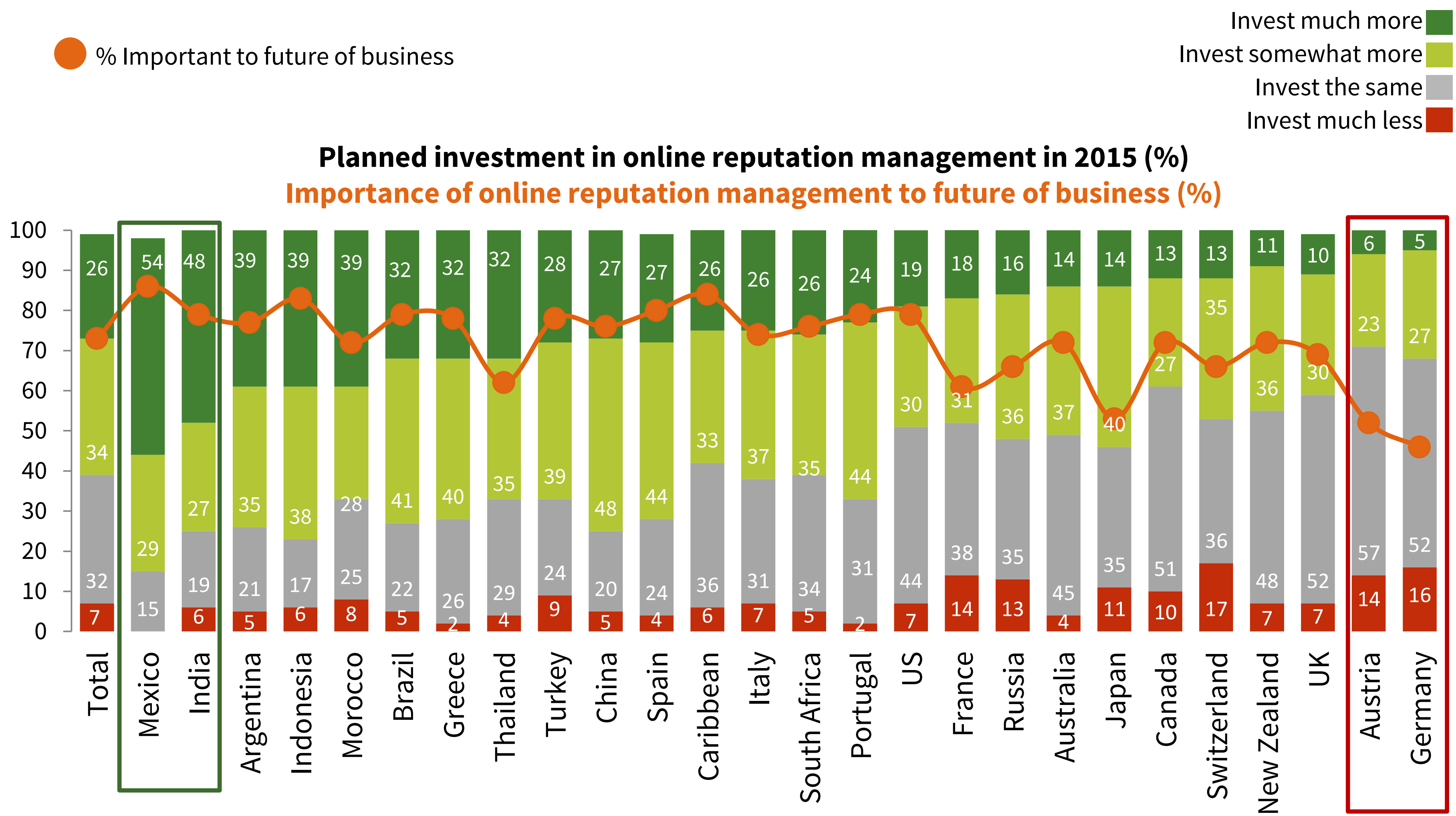




BQ19. How important do you think each of the following is for the future of your business?
BQ20. Looking at 2015, are you planning to invest more, about the same or less in the following?
Base: All business respondents (10,261)

Investment in online reputation management by market

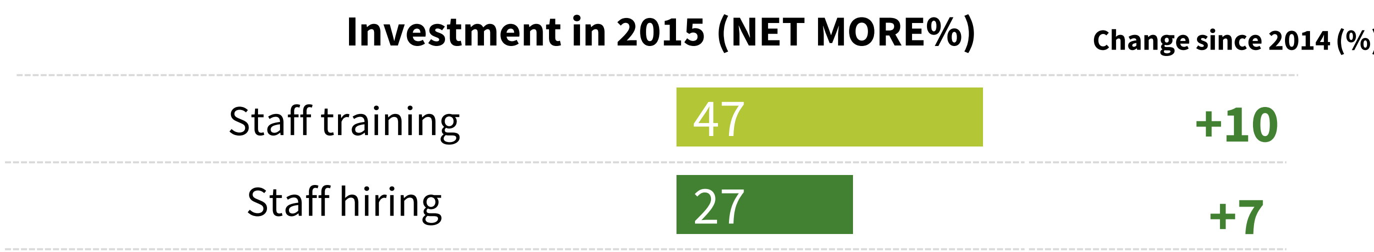
- Investment plans for managing online reputation largely match hoteliers' views on its importance to the future of business across the markets.

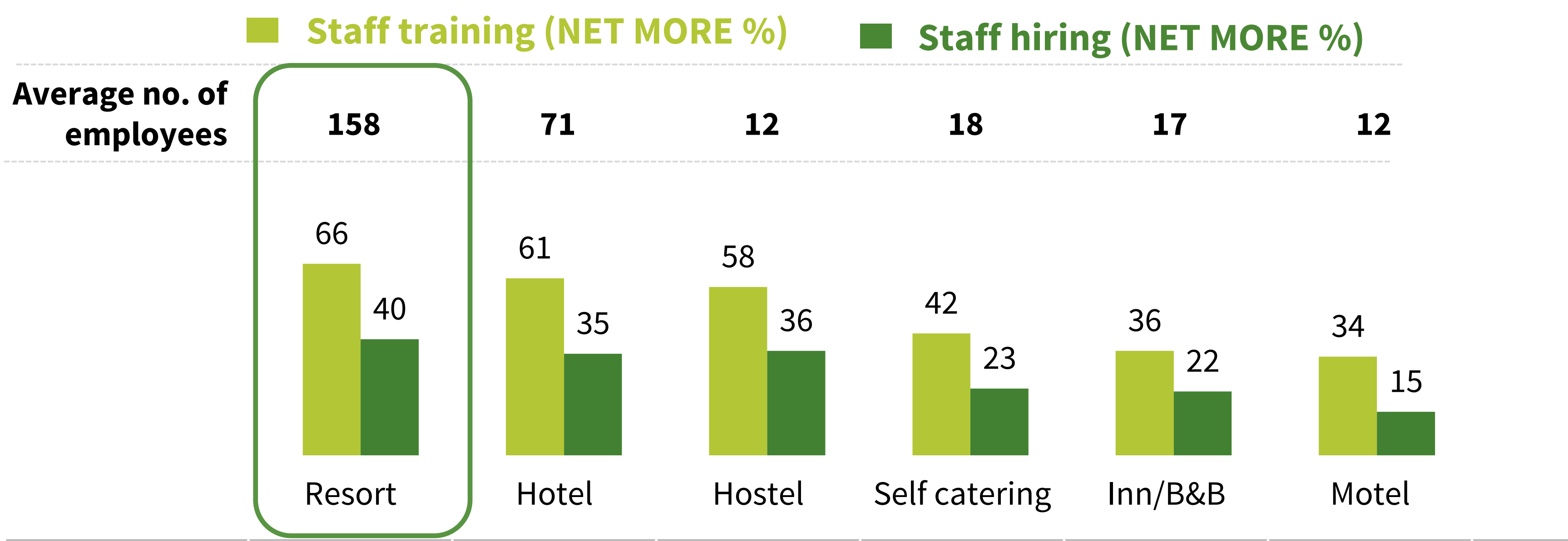


BQ19. How important do you think each of the following is for the future of your business?
BQ20. Looking at 2015, are you planning to invest more, about the same or less in the following?
Base: All business respondents (10,261)

Planned investment in staff training and hiring

- Reflecting the sector's optimism, we see good increases in the proportion of businesses intending to invest more in their staff this year.
- Resorts are most likely to be hiring and training, with each resort employing an average of almost 160 employees.



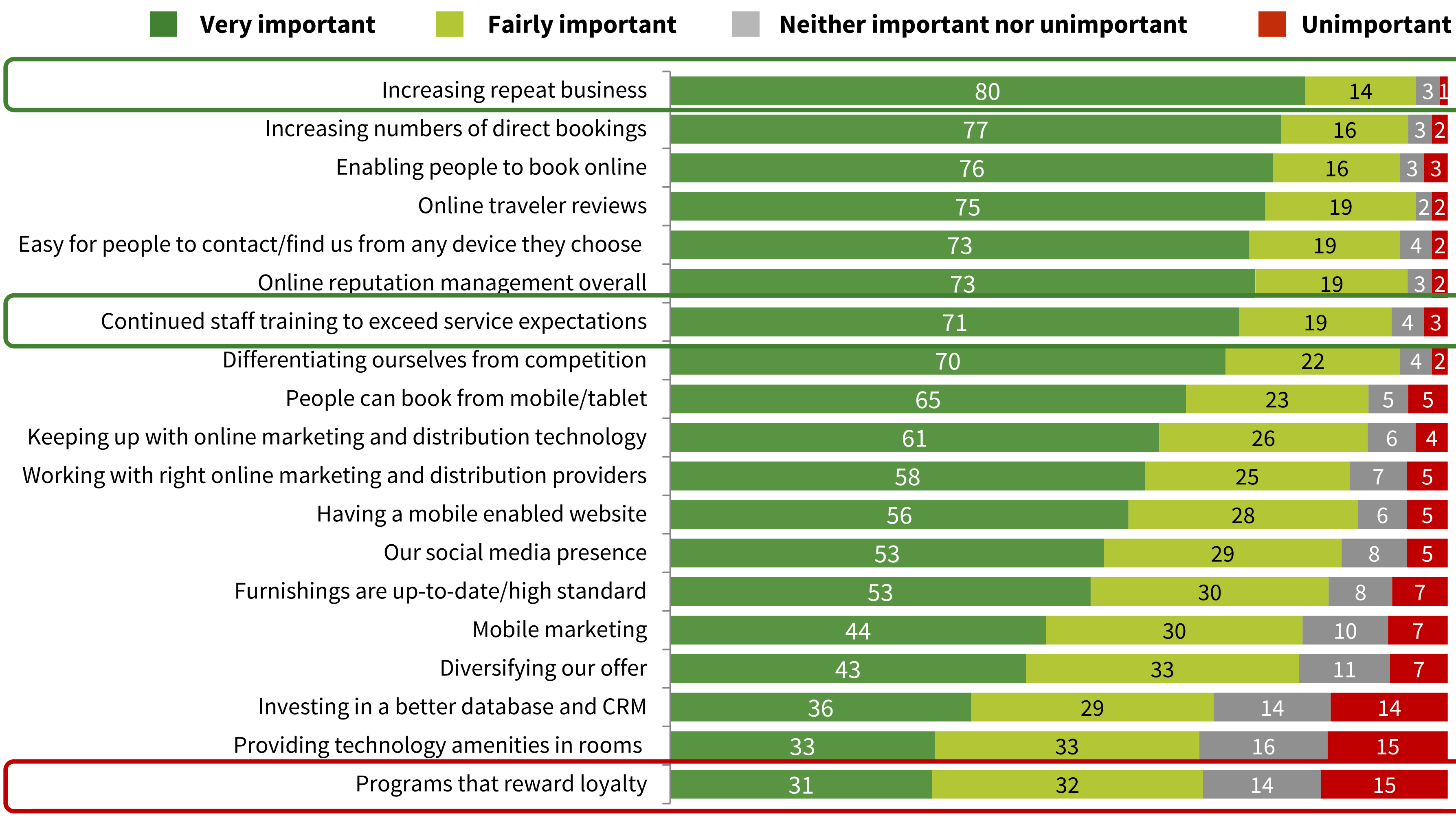


BQ20. Looking at 2015, are you planning to invest more, about the same or less in the following?
Base: All business respondents (10,261)

Which aspects are most important to a business' future?

- For 80% of hoteliers, increasing repeat business is very important to their future, with this driven more through delivering exceptional personal experiences than through loyalty programs.

Aspects that are important to future of business (%)

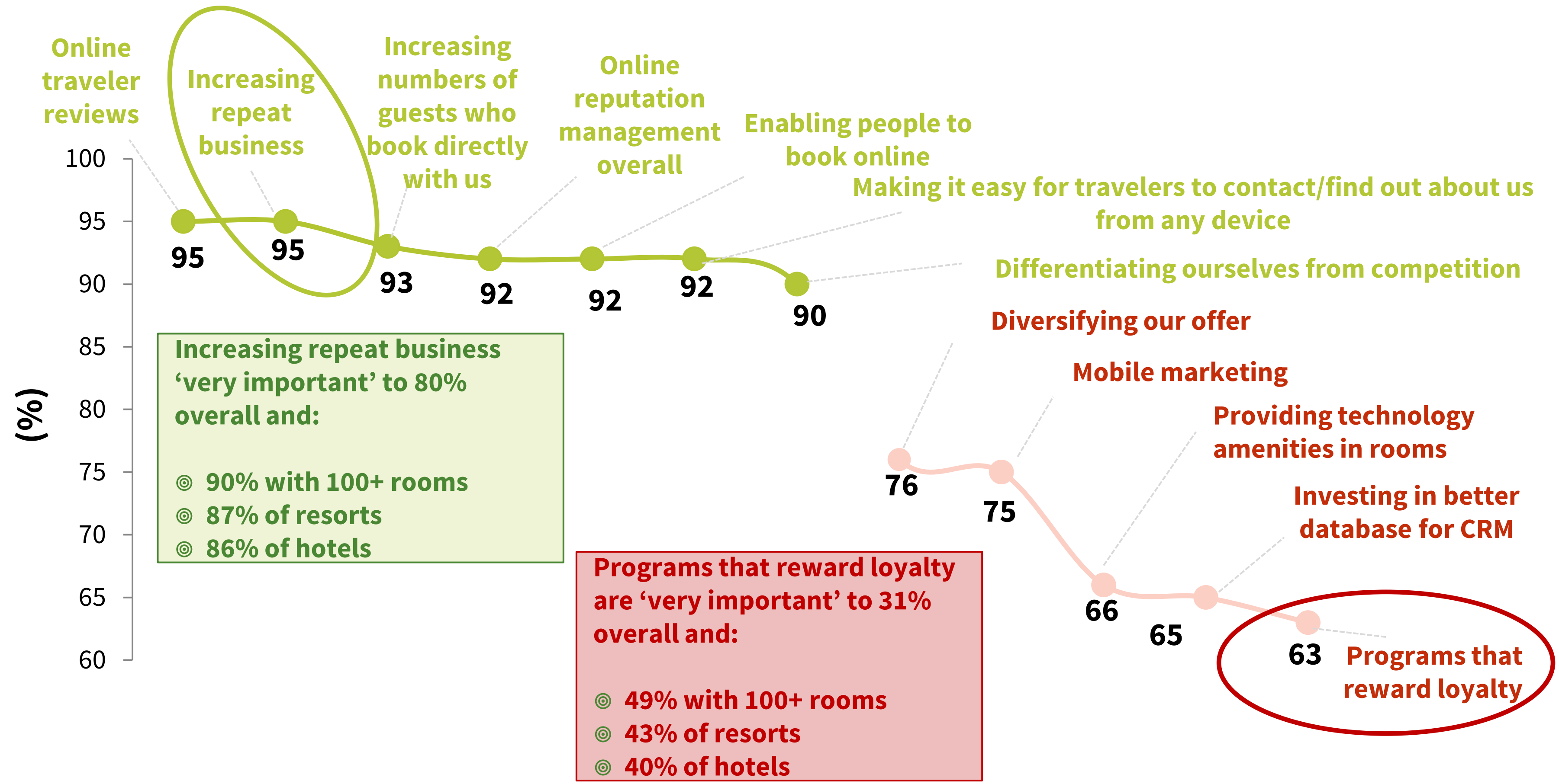


BQ19. How important do you think each of the following is for the future of your business?
Base: All business respondents (10,261)

Most and least important aspects to a business' future

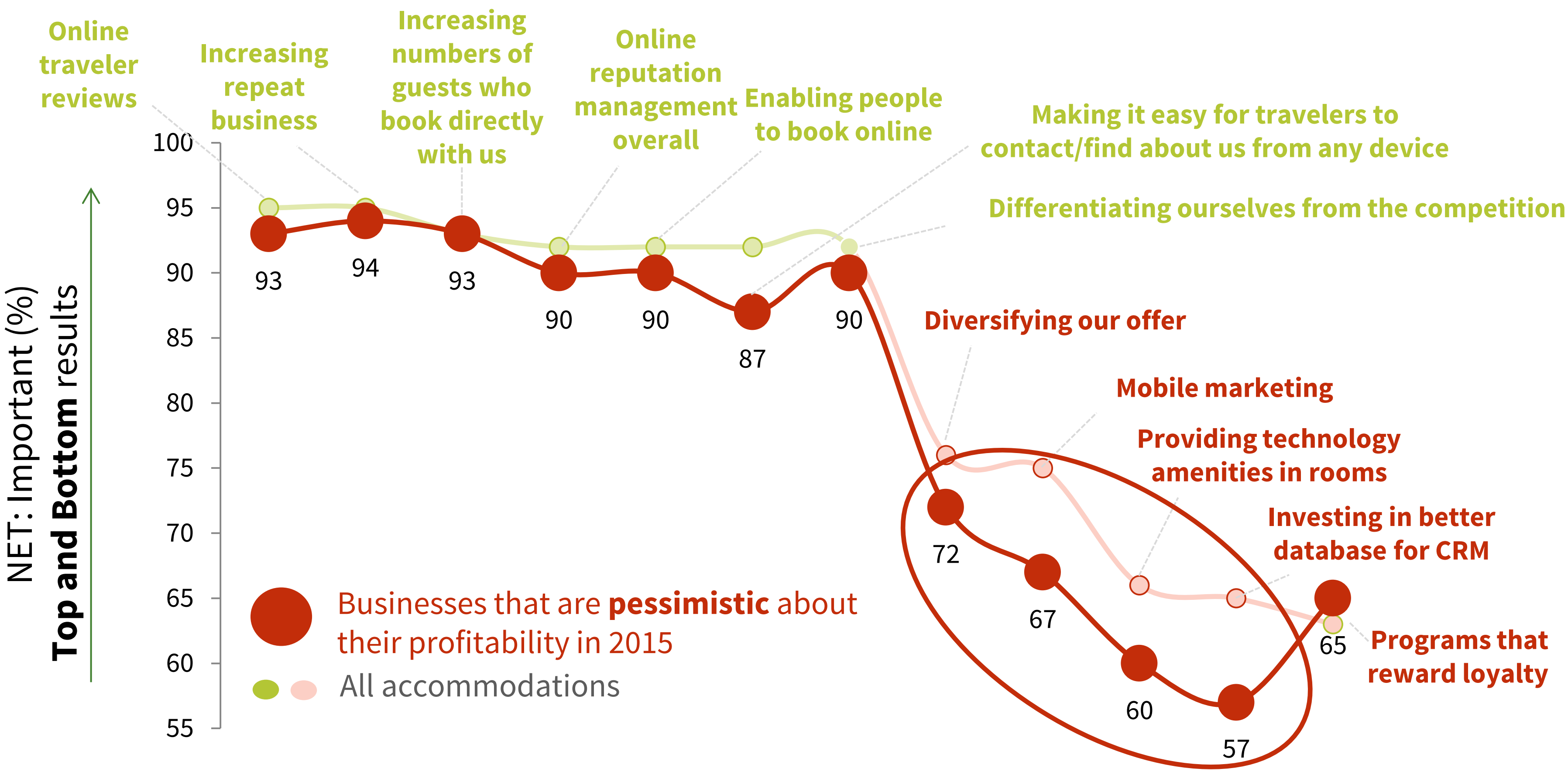
- Repeat business is notably 'very important' to large accommodation, resorts and hotels. For these groups focused on repeat business, loyalty programs have an above average importance, too.

Aspects that are most and least important to future of business
(%) NET: Important



Important to future of 'pessimistic' businesses

- Businesses that are 'pessimistic' about profitability in 2015 are less likely to view 'mobile marketing', 'providing in-room tech amenities' and 'better CRM databases' as being important to their future
- Nine in 10 'pessimists' see the need to differentiate themselves from the competition as important to their business' future: 65% consider differentiation to be 'very important'.

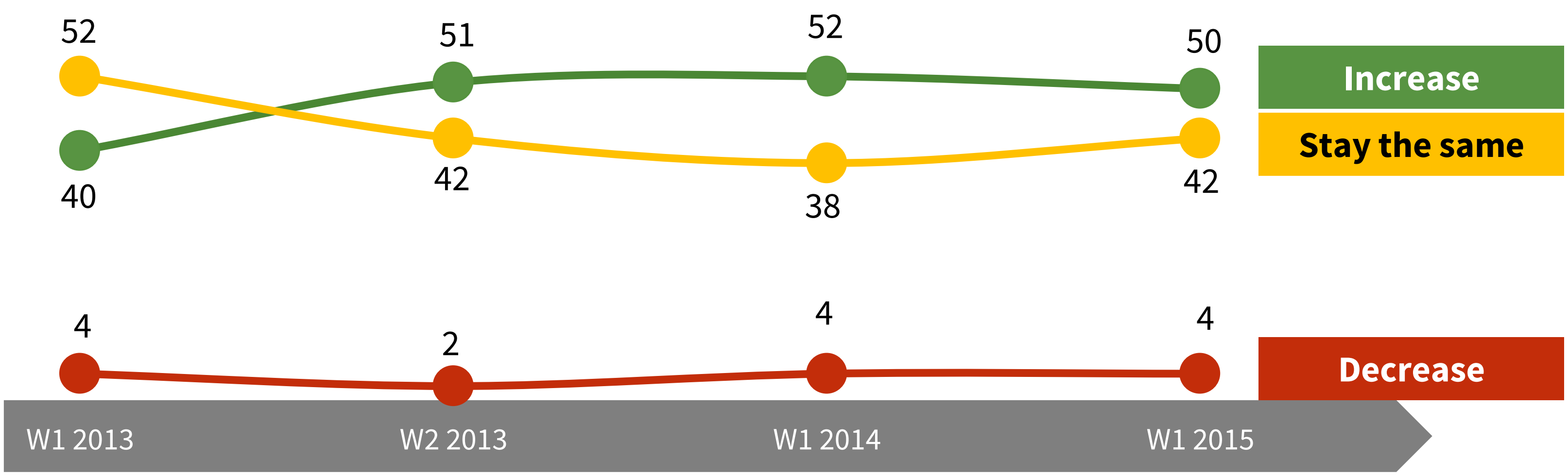


BQ19. How important do you think each of the following is for the future of your business? Base: all business respondents (10,261), all businesses feeling pessimistic about profitability in 2015 (759)

Room rates in 2015

- An increase in room rates is often seen as a sign of health in the sector, with demand sufficiently good to allow businesses to increase their prices. This year we see a small, but significant, increase in the proportion holding their room rates at 2014 prices
- Half of all businesses intend to increase their room rates in 2015: 35% will do so by between 3-10%
- Resorts are the most likely to be increasing room rates, as well as being the most optimistic about their 2015 profits. Just over four in 10 resorts (43%) will increase their room rates by between 3-10%.

Expected change in room rates in 2015 (%)

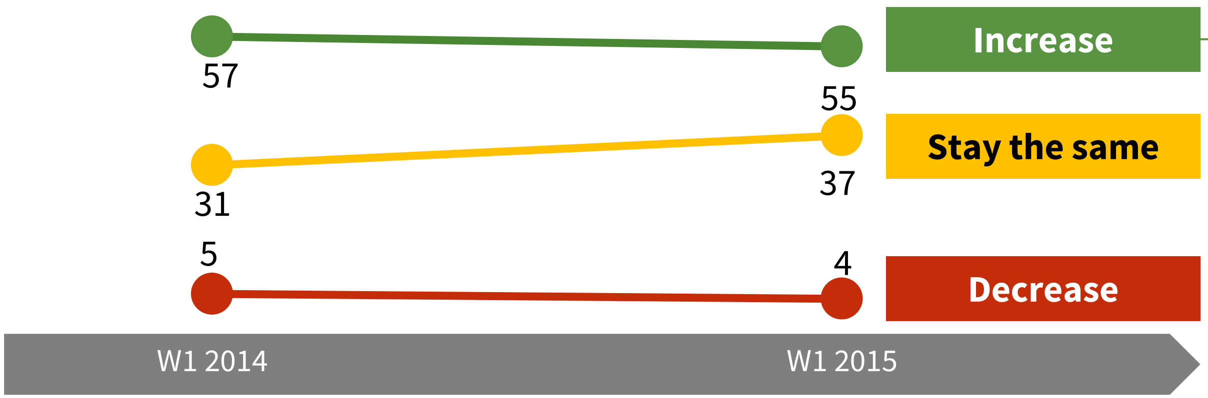


BQ25. Are you planning to increase, maintain or decrease room rates in 2015? The room rates will…
Base: All business (10,261)

Room rates in 2015: hotels

- The trend is for hotels to increasingly hold prices from 2014, although the majority will still be putting room rates up in 2015: 39% of hoteliers will increase room rates by between 3-10%
- Accommodation types with 100+ rooms are most likely to be increasing room rates, with 71% increasing rates in 2015; 54% by between 3-10%
- Within the accommodation sector, it is only amongst inns/B&Bs where prices are more likely to be going down (47%) than up (45%).

Expected change in room rates in 2015 (%)
Hotels



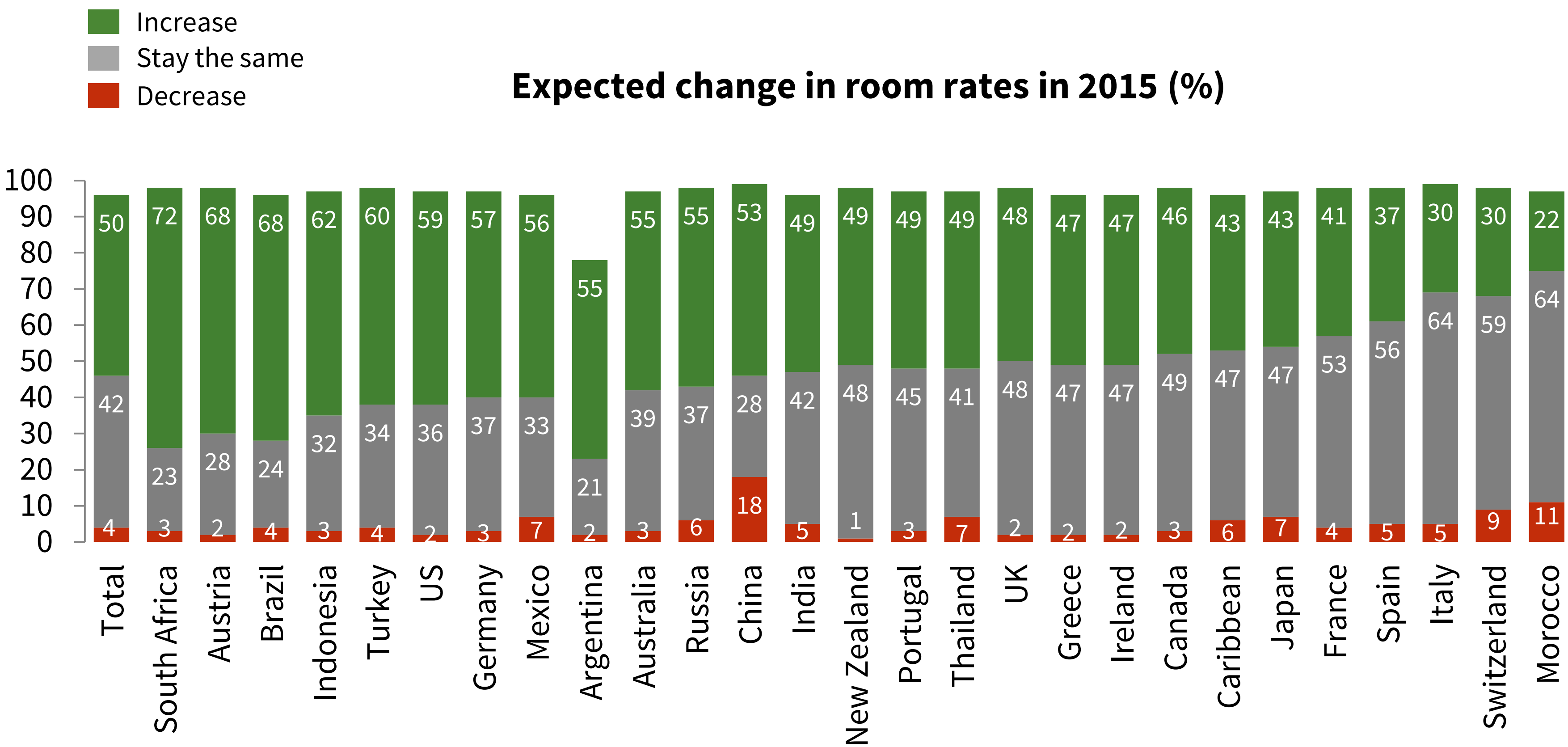
Increases in room rates are also high for:

- Resorts 58% (58% in W1 2014)

BQ25. Are you planning to increase, maintain or decrease room rates in 2015? The room rates will…
Hotels 2014 (2,156), 2015 (1,919)

Room rates: by market

- Over two-thirds of businesses in South Africa, Austria and Brazil are intending to increase their room rates. However the scale of planned increase is very different with half of Austrian businesses increasing room rates by no more than 5%, compared to South Africa and Brazil where the market appears more buoyant, with 54% planning increases of 6% and more.
- China is the market where we are most likely to see reductions, with one in five reducing room rates, but not by more than 10%.



Reasons for increased room rates

- For half of all businesses increasing their prices, covering costs of increased overheads is still a main cause. Motels are particularly suffering, with 73% increasing room rates to cover overheads
- However significantly more businesses are increasing prices in response to more positive influences, such as increasing demand, and the impact of events and activities in their area. Resorts are the accommodation type most likely to be feeling the positive impact of increasing demand.

	2015 (%)	Reasons for increasing room rates	2014 (%)
	62	To pay for increased overhead costs	58
	34	Recently completed renovations at property	N/A
	32	To stay in line with competition	22
36% resorts	31	There is increased demand	26
	29	To achieve a bigger profit	24
27% resorts	20	Moving into a more premium market	16
22% resorts	17	Due to an increase in high demand events/ activities in the area this year	N/A
	9	Recently received a higher star or rating	7
	8	Other	N/A

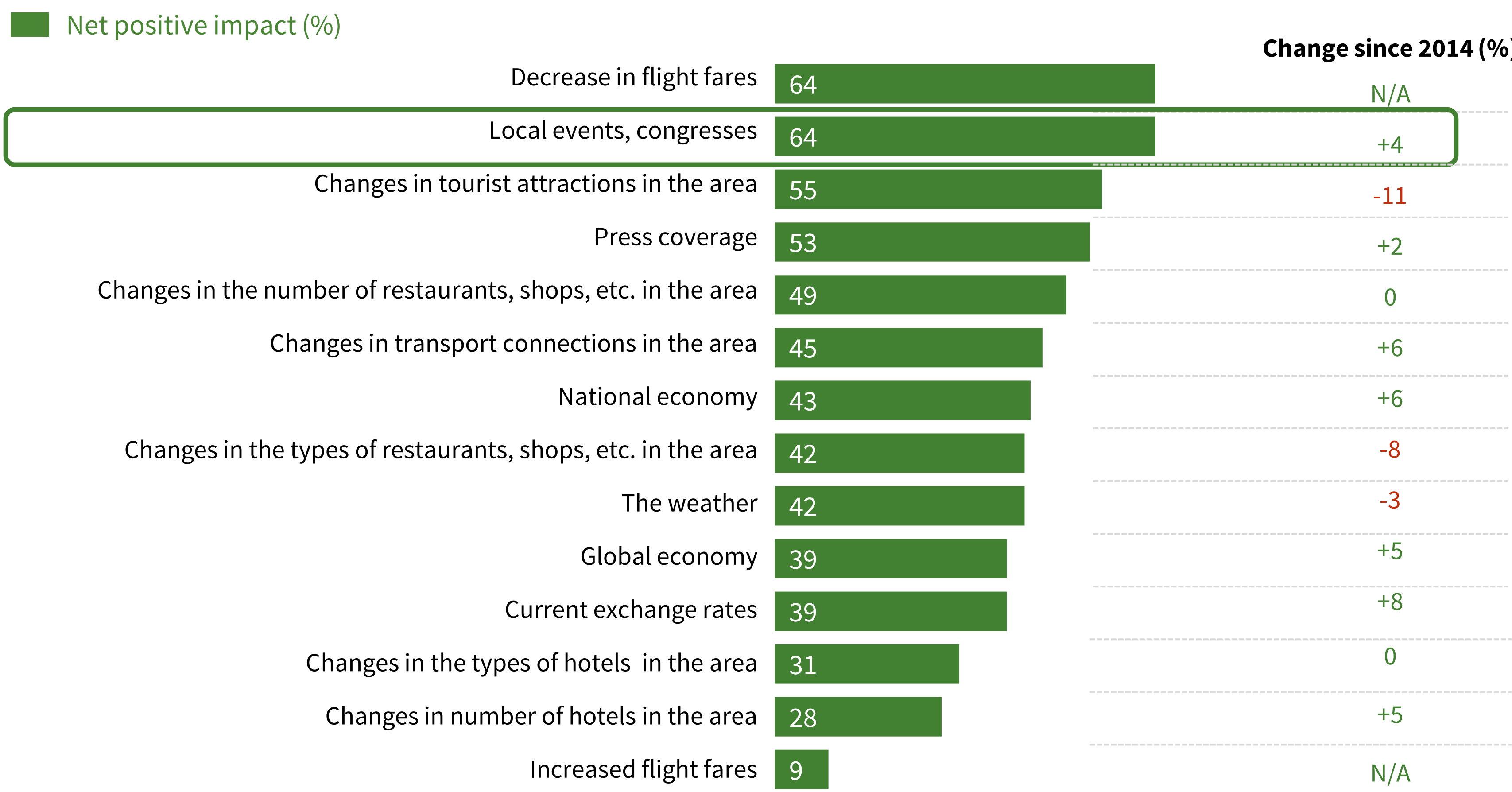
BQ26. Why are you planning to increase the room rates in 2015?
Base: Businesses planning to increase room rates: (4,774)

Profitability in 2015

Positive impacts on profitability in 2015

- Local events are enabling approximately 10% of all businesses to increase their prices, but their impact goes further than this with two-thirds of businesses citing local events as having a positive impact on profitability in 2015.

Positive impacts on business profitability in 2015 (%)

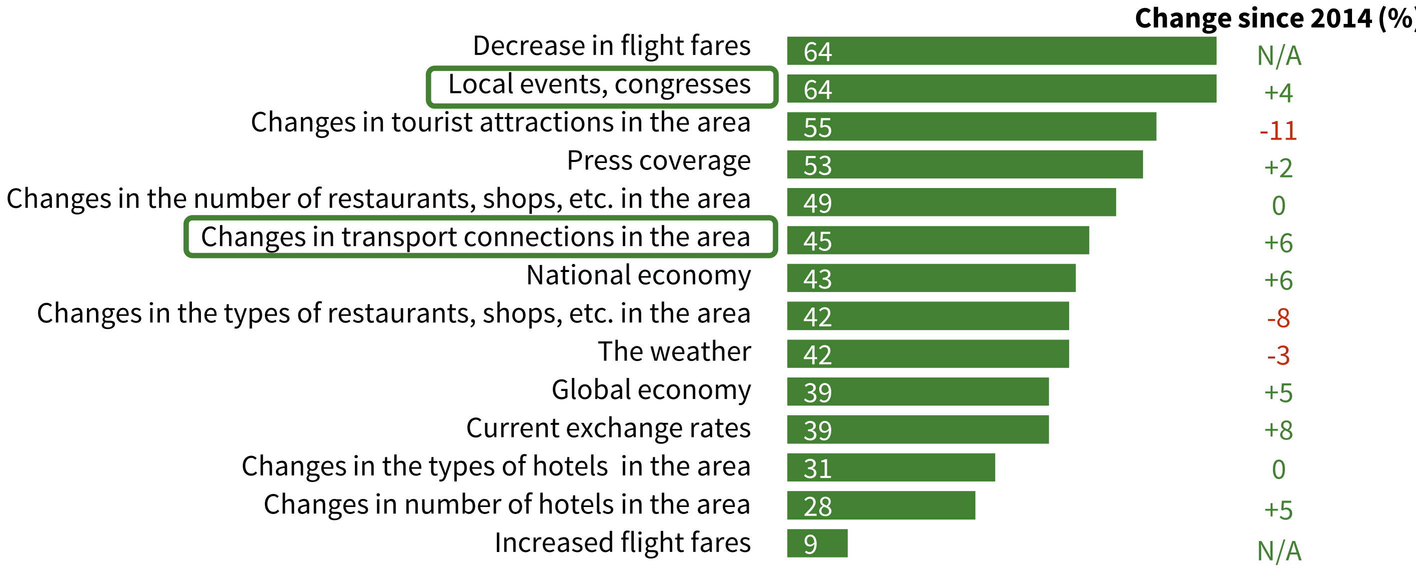


BQ28. Thinking about 2015, do you think any of the following will have a positive or negative impact on your business profitability?
Base: All business (10,261)

The positive impact of external factors on profitability

- The positive influence of improved transport connections is making significant gains year-over-year
- China in particular is expecting to benefit from better local transport connections, with nearly three-quarters of businesses seeing this as having a positive impact on 2015 profitability
- Russia is looking forward to seeing the benefit of local events on their businesses.

Positive impacts on business profitability in 2015 (%)



Most positive markets

Transport connections (45%)
- China = 72%
- Turkey = 69%
- Greece, India = 64%

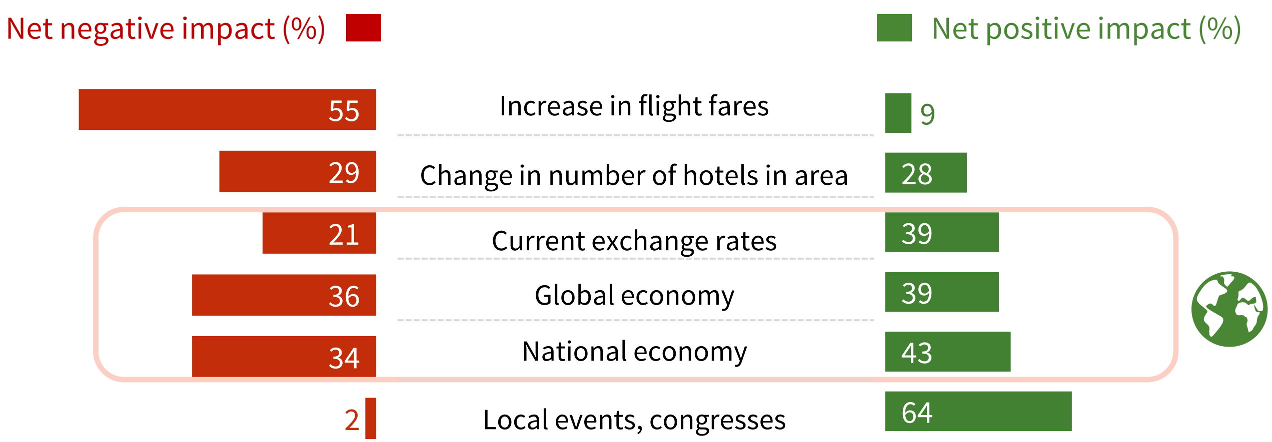
Local events, congresses (64%)
- Russia = 80%
- Turkey = 77%
- Mexico = 76%

BQ28. Thinking about 2015, do you think any of the following will have a positive or negative impact on your business profitability?
Base: All business (10,261)

The positive impact of external factors on profitability

- There are many external macro factors that businesses are unable to influence, yet have an impact on their profitability. Here we look at how these macro factors are predicted to have a ‘positive impact’ on profitability in 2014.
- Spain is feeling optimistic about both the global and national economy.

Impacts on business profitability in 2015 (%)



Most positive markets

Global economy (39%)

- Spain = 61%
- New Zealand = 53%
- Japan, India, Indonesia = 52%

National economy (43%)

- India = 67%
- Spain = 63%
- US = 58%

Current exchange rates (39%)

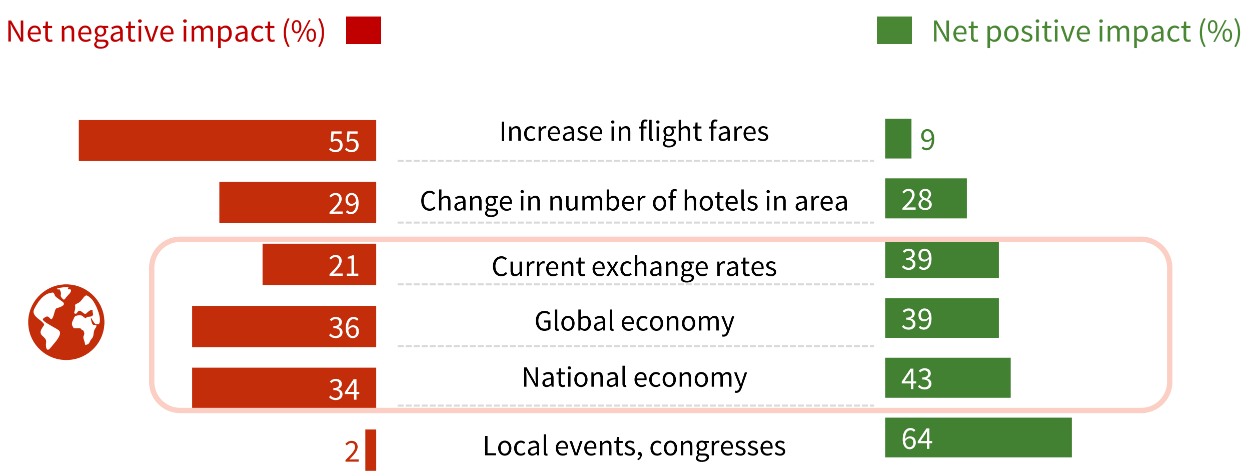
- Canada = 70%
- South Africa = 64%
- Japan = 53%

BQ28. Thinking about 2015, do you think any of the following will have a positive or negative impact on your business profitability?
Base: All business (10,261)

The negative impact of external factors on profitability

- Although Russia hopes to benefit from local events, there are concerns about the ‘negative’ impact of exchange rates and the global and national economy on profits. Businesses in Switzerland are also predicting the negative impact of exchange rates on their profitability, connected to their concerns about the global economy.

Impacts on business profitability in 2015 (%)



Most negative markets

Global economy (36%)

- Switzerland = 70%
- Russia = 59%
- Thailand = 56%

National economy (34%)

- Russia and Brazil = 60%
- South Africa = 50%
- Italy = 49%

Current exchange rates (21%)

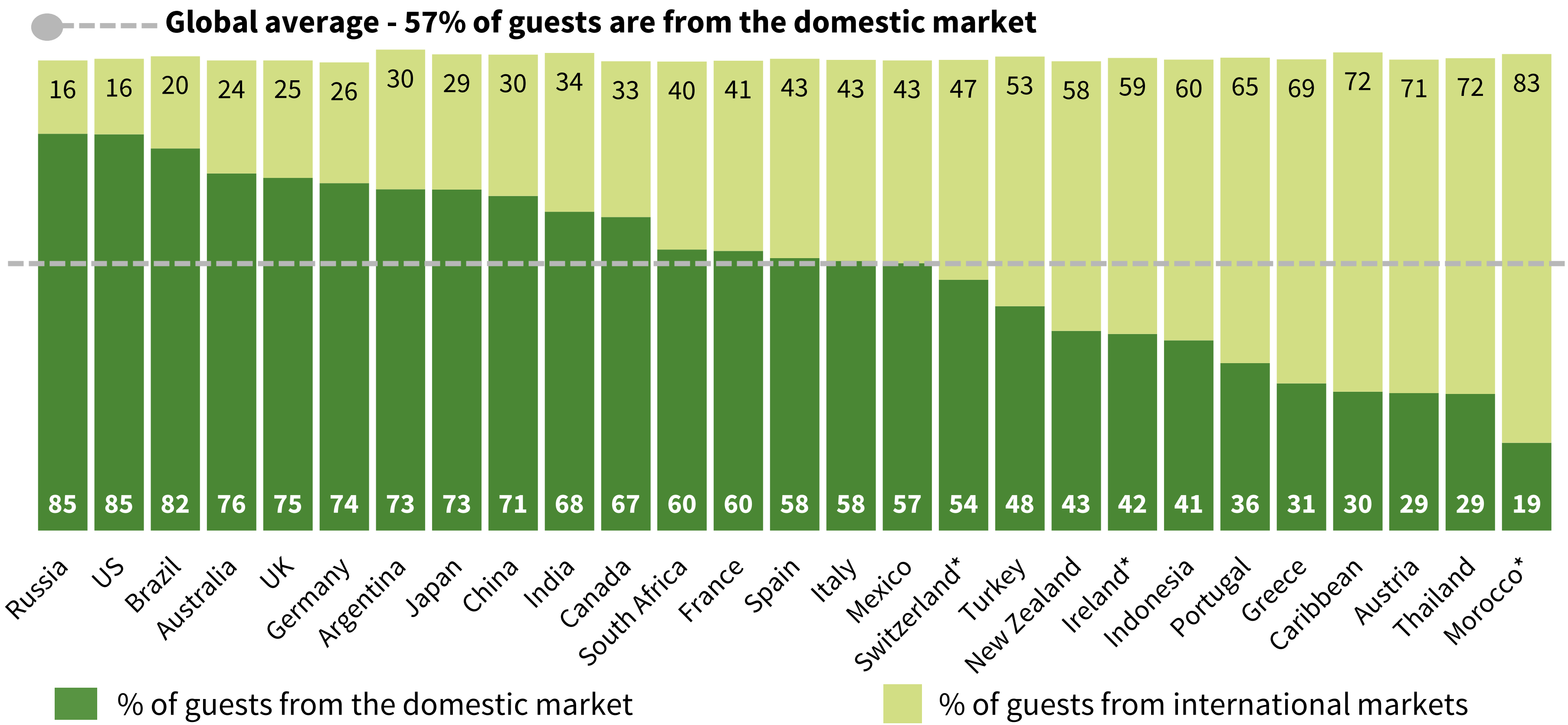
- Switzerland = 86%
- Russia = 54%
- Thailand = 41%

BQ28. Thinking about 2015, do you think any of the following will have a positive or negative impact on your business profitability?
Base: All business (10,261)

Serving the local or overseas market?

- Globally businesses are serving more domestic than international guests: this is particularly so in Russia, US and Brazil where the domestic market dominates with at least four in five guests being local.
- Half of businesses in Japan and India are feeling optimistic about the global economy, good news given their relatively high dependence on international travelers.

Guests in each market that are domestic or international (%)



* Switzerland base (99), Morocco base (94), Ireland (58), China (94)

BQ11. What percentage of your guests are domestic and what percentage are international? Base: All business (10,261)

Hotelier Confidence Index

Sector Confidence in 2015

What is the Hotelier Confidence Index?

- The Hotelier Confidence Index measures confidence levels across the global hotel sector, ranking 27 major tourism markets.
- The index is made up of three elements (see overleaf for full question wording):
  1. Planned investment changes in nine aspects of the business
  2. Planned room rate changes in 2015
  3. Optimism about 2015 profitability
- Investment is the only composite element, i.e. made up of more than one statement. For this we have taken the answer each respondent has given to indicate change in investment in 2015 and calculated a mean score (out of five) for investment overall*.
- To create the confidence index we have taken the three mean scores for each respondent for the following: investment changes, room rate changes and optimism. Each of the three scores has equal weight in the index*.
- We have ranked the markets in order of magnitude with five as the very highest score possible, showing how each market compares to the others.
- We have then, based on the markets' mean scores, calculated the scores that fall into the top and bottom quartiles. The following charts show this for the Index itself and then for each individual element that has fed into the index.
- Those markets that are in the top 25% are highlighted in green and those in the bottom 25% in red. The mean score (out of five, where five is always the 'best possible') is also given for each market.

*** If a respondent answers 'don't know' for any aspect, we have given them a score of 0 and then calculated the mean investment score**

What has gone into the Hotelier Confidence Index?

BQ20: Looking at 2015, are you planning to invest more, about the same or less in the following? Give a score from one to five, where one means ‘*Much less*’ and five means ‘*Much more*’

- Large-scale renovations (e.g. new building, remodelling)
- Small-scale renovations (e.g. refurbishments, redecorations)
- Staff hiring
- Staff training
- Back office (IT, systems, technology accounting, etc.)
- Marketing/Advertising (other than search engine optimization or marketing)
- Online reputation management
- Room distribution
- Traffic acquisition (search engine marketing or optimization)

BQ25. Are you planning to increase, maintain or decrease room rates in 2015? Room rates will…

Decrease						**Increase**					
21% or more	11%-20%	6%-10%	3%-5%	Up to 2%	Stay the same	Up to 2%	3%-5%	6%-10%	11%-20%	21% or more	Don’t know
1		2			3	4			5		0

BQ27. How optimistic or pessimistic are you about your business profitability in 2015? (a score of 5 means ‘*very optimistic*’ and 1 means ‘*very pessimistic*’)

Hotelier Confidence Index: global rankings

1	Indonesia	3.9
2	India	3.85
3	Mexico	3.82
4	South Africa	3.74
5	Brazil	3.7
6	Caribbean	3.64
7	United States (US)	3.64
8	Greece	3.61
9	Turkey	3.61
10	Thailand	3.56
11	Portugal	3.53
12	Australia	3.51
13	Austria	3.49
14	China	3.47
15	New Zealand	3.46
16	Argentina	3.44
17	Ireland*	3.44
18	Spain	3.44
19	Canada	3.43
20	Germany	3.43
21	United Kingdom (UK)	3.42
22	Russia	3.26
23	Morocco	3.25
24	Italy	3.23
25	Switzerland	3.15
26	Japan	3.1
27	France	3.02

Top 25% of Confidence Index

Bottom 25% of Confidence Index

Global average = 3.51

* Ireland base (66)

Investment rankings: renovations

Top 25% investment in **large scale** renovations

Bottom 25% investment in **large scale** renovations

Global average = 3.35

1	Argentina	3.74
2	Mexico	3.73
3	India	3.52
4	Spain	3.51
5	Caribbean	3.45
6	Morocco	3.45
7	Brazil	3.44
8	Germany	3.43
9	Indonesia	3.43
10	Turkey	3.39
11	South Africa	3.32
12	Thailand	3.26
13	Greece	3.22
14	Japan	3.22
15	Switzerland	3.22
16	New Zealand	3.2
17	United States (US)	3.19
18	Ireland*	3.17
19	Russia	3.15
20	Australia	3.13
21	Portugal	3.12
22	China	3.1
23	United Kingdom (UK)	3.1
24	Italy	3.09
25	Canada	3.05
26	France	3.03
27	Austria	3

Top 25% investment in **small scale** renovations

Bottom 25% investment in **small scale** renovations

Global average = 3.65

1	Greece	3.9
2	Argentina	3.89
3	India	3.87
4	Mexico	3.86
5	Spain	3.82
6	Caribbean	3.74
7	Brazil	3.71
8	South Africa	3.68
9	Indonesia	3.67
10	Turkey	3.67
11	Morocco	3.66
12	Thailand	3.66
13	Japan	3.62
14	United States (US)	3.59
15	Germany	3.56
16	Australia	3.49
17	New Zealand	3.49
18	United Kingdom (UK)	3.49
19	France	3.46
20	Portugal	3.46
21	Ireland*	3.45
22	Canada	3.43
23	Russia	3.38
24	China	3.35
25	Italy	3.35
26	Switzerland	3.34
27	Austria	3.26

* Ireland base (66)

Investment rankings: staff

Top 25% investment in **staff hiring**

Global average = 3.27

Bottom 25% investment in **staff hiring**

1	India	3.7
2	Turkey	3.61
3	Mexico	3.48
4	Brazil	3.41
5	Thailand	3.38
6	Japan	3.37
7	China	3.34
8	Greece	3.3
9	Ireland*	3.3
10	Caribbean	3.29
11	Indonesia	3.29
12	Spain	3.29
13	Argentina	3.25
14	Morocco	3.21
15	Portugal	3.2
16	United States (US)	3.2
17	Germany	3.17
18	Canada	3.14
19	Russia	3.09
20	South Africa	3.08
21	Australia	3.04
22	New Zealand	3.04
23	United Kingdom (UK)	3.04
24	Austria	3.02
25	France	2.92
26	Switzerland	2.9
27	Italy	2.79

Top 25% investment in **staff training**

Global average = 3.7

Bottom 25% investment in **staff training**

1	Mexico	4.2
2	Indonesia	4.19
3	India	4.09
4	Turkey	4.09
5	Brazil	4.07
6	China	3.86
7	Argentina	3.85
8	Thailand	3.84
9	Caribbean	3.8
10	Morocco	3.79
11	Greece	3.73
12	Spain	3.72
13	South Africa	3.68
14	United States (US)	3.56
15	Portugal	3.54
16	Japan	3.51
17	Switzerland	3.49
18	Canada	3.42
19	Ireland*	3.42
20	Russia	3.34
21	United Kingdom (UK)	3.32
22	Australia	3.31
23	Italy	3.29
24	Germany	3.25
25	New Zealand	3.25
26	Austria	3.16
27	France	3.11

* Ireland base (66)

Investment rankings: back office and room distribution

Top 25% investment in **back office**

Bottom 25% investment in **back office**

Global average = 3.43

1	India	3.83
2	Indonesia	3.74
3	Turkey	3.74
4	Brazil	3.64
5	Caribbean	3.59
6	Morocco	3.59
7	Thailand	3.54
8	South Africa	3.53
9	China	3.49
10	Ireland*	3.43
11	Mexico	3.4
12	Portugal	3.4
13	Greece	3.35
14	Australia	3.34
15	United States (US)	3.34
16	Austria	3.31
17	Russia	3.31
18	New Zealand	3.26
19	Spain	3.26
20	Argentina	3.25
21	Japan	3.25
22	United Kingdom (UK)	3.23
23	Germany	3.22
24	Switzerland	3.21
25	Canada	3.19
26	Italy	3.12
27	France	3.05

Top 25% investment in **room distribution**

Bottom 25% investment in **room distribution**

Global average = 3.47

1	China	3.93
2	Indonesia	3.93
3	India	3.89
4	Thailand	3.87
5	Morocco	3.7
6	Turkey	3.68
7	Brazil	3.63
8	Greece	3.55
9	Mexico	3.5
10	Portugal	3.47
11	South Africa	3.43
12	Russia	3.37
13	Italy	3.36
14	Caribbean	3.35
15	United States (US)	3.35
16	France	3.33
17	Australia	3.32
18	Spain	3.31
19	Argentina	3.3
20	Switzerland	3.3
21	United Kingdom (UK)	3.29
22	New Zealand	3.28
23	Germany	3.27
24	Canada	3.25
25	Austria	3.19
26	Ireland*	3.19
27	Japan	3.08

* Ireland base (66)

Investment rankings: marketing (online)

Top 25% investment in **Online reputation management** (ranks 1–7)

Bottom 25% investment in **Online reputation management** (ranks 20–27)

Global average = 3.9

1	Mexico	4.4
2	India	4.28
3	Indonesia	4.19
4	Argentina	4.18
5	Morocco	4.12
6	Brazil	4.09
7	Greece	4.04
8	China	4.03
9	Spain	4.02
10	Thailand	3.99
11	Turkey	3.99
12	South Africa	3.92
13	Italy	3.91
14	Portugal	3.9
15	Caribbean	3.86
16	Japan	3.75
17	Russia	3.73
18	France	3.72
19	United States (US)	3.71
20	Switzerland	3.68
21	Australia	3.65
22	Ireland*	3.63
23	New Zealand	3.59
24	Canada	3.54
25	United Kingdom (UK)	3.52
26	Germany	3.37
27	Austria	3.36

Top 25% investment in **Traffic acquisition (SEO or marketing)** (ranks 1–7)

Bottom 25% investment in **Traffic acquisition (SEO or marketing)** (ranks 20–27)

Global average = 3.71

1	Indonesia	4.08
2	India	4.04
3	Mexico	4.03
4	Thailand	3.99
5	Greece	3.97
6	Morocco	3.89
7	Brazil	3.87
8	Turkey	3.87
9	Argentina	3.78
10	South Africa	3.77
11	China	3.74
12	Caribbean	3.73
13	Spain	3.72
14	United States (US)	3.62
15	Portugal	3.6
16	Australia	3.59
17	Switzerland	3.58
18	Russia	3.57
19	Ireland*	3.56
20	Austria	3.55
21	Italy	3.53
22	Germany	3.46
23	Canada	3.43
24	New Zealand	3.43
25	France	3.41
26	United Kingdom (UK)	3.37
27	Japan	3.35

* Ireland base (66)

Investment rankings: marketing (excluding SEO)

Top 25% investment in **Marketing/ Advertising (other than SEO or SEM marketing)**

1	Brazil	4.07
2	India	4.06
3	Mexico	4.05
4	Turkey	4.05
5	Indonesia	3.98
6	Morocco	3.9
7	South Africa	3.84
8	Argentina	3.79
9	China	3.79
10	Thailand	3.79
11	Caribbean	3.72
12	Greece	3.72
13	Portugal	3.72
14	Spain	3.65
15	United States (US)	3.53
16	Ireland*	3.52
17	Italy	3.5
18	Russia	3.5
19	Switzerland	3.47
20	Australia	3.45
21	Austria	3.4
22	Canada	3.38
23	New Zealand	3.37
24	Japan	3.36
25	France	3.32
26	United Kingdom (UK)	3.31
27	Germany	3.3

Bottom 25% investment in **Marketing/ Advertising (other than SEO or SEM marketing)**

Global average = 3.68

* Ireland base (66)

Room rate change in 2015

Top 25% increases in **room rates** (1–7)

1	Argentina	4.1
2	Brazil	3.8
3	South Africa	3.77
4	Indonesia	3.76
5	Austria	3.71
6	United States (US)	3.64
7	Turkey	3.63
8	Russia	3.61
9	Australia	3.57
10	Germany	3.57
11	India	3.57
12	Mexico	3.56
13	New Zealand	3.53
14	Greece	3.52
15	United Kingdom (UK)	3.51
16	Portugal	3.5
17	Ireland*	3.49
18	Canada	3.48
19	Thailand	3.45
20	Caribbean	3.44
21	Japan	3.42
22	China	3.39
23	France	3.39
24	Spain	3.34
25	Italy	3.27
26	Switzerland	3.2
27	Morocco	3.14

Bottom 25% increases in **room rates** (20–27)

Global average = 3.54

* Ireland base (66)

Optimism about profitability in 2015: rankings

Top 25% **optimistic** about 2015 profitability

1	Mexico	4.47
2	India	4.42
3	Indonesia	4.36
4	Caribbean	4.3
5	United States (US)	4.3
6	South Africa	4.25
7	Canada	4.14
8	New Zealand	4.12
9	Ireland*	4.11
10	Greece	4.08
11	Brazil	4.06
12	Argentina	4.05
13	United Kingdom (UK)	4.05
14	Australia	4.02
15	Portugal	4.01
16	Austria	3.91
17	Germany	3.88
18	Spain	3.88
19	Thailand	3.84
20	Turkey	3.84
21	Italy	3.65
22	China	3.64
23	Morocco	3.61
24	France	3.53
25	Russia	3.42
26	Switzerland	3.41
27	Japan	3.13

Bottom 25% **pessimistic** about 2015 profitability

Global average = 3.99

* Ireland base (66)

Investment overall 2015: rankings

Top 25% **investment overall**

1	India	3.69
2	Indonesia	3.66
3	Mexico	3.57
4	Thailand	3.52
5	Turkey	3.43
6	China	3.4
7	Brazil	3.38
8	Greece	3.36
9	Caribbean	3.29
10	South Africa	3.29
11	Portugal	3.2
12	Spain	3.18
13	Argentina	3.09
14	Morocco	3.09
15	United States (US)	3.08
16	Australia	3.02
17	Germany	2.94
18	Switzerland	2.91
19	Austria	2.89
20	Ireland*	2.88
21	Japan	2.85
22	Italy	2.82
23	Russia	2.8
24	United Kingdom (UK)	2.8
25	New Zealand	2.78
26	Canada	2.72
27	France	2.22

Bottom 25% **investment overall**

Global average = 3.14

* Ireland base (66)

Appendix

Overview: TripBarometer March 2015

Fieldwork: 16th January – 2nd February 2015

Consumer survey sample size:

34,016
Interviewed

32,158
Via a pop-up on TripAdvisor website

1,858
From the Ipsos panel

Business survey sample size:

10,261
Interviewed

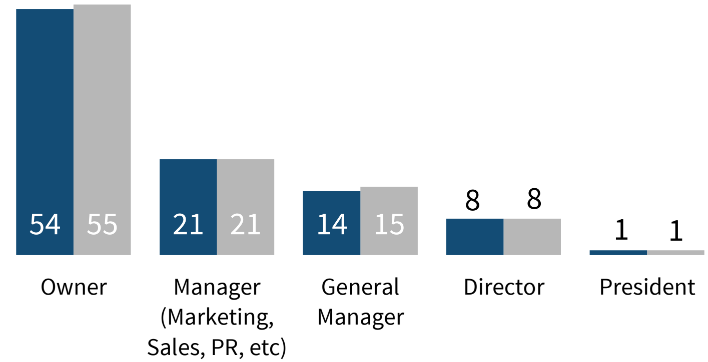
44,277 interviews in total, with the data weighted to represent the markets' online population

Business profile

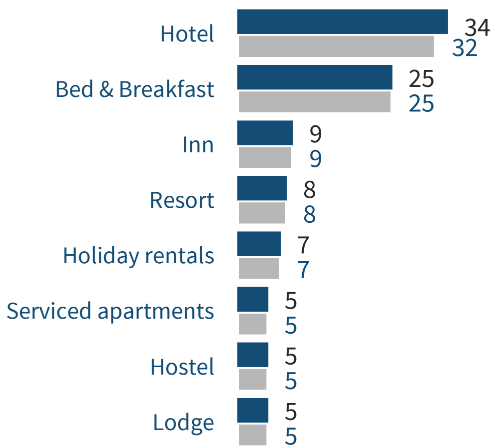
W1 2015
W2 2014

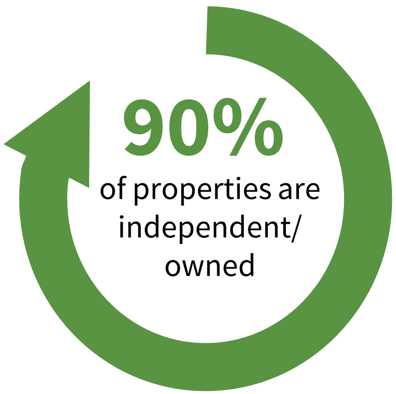
82% single property businesses (81% in 2014)

50% in mid-range category (49% in 2014)

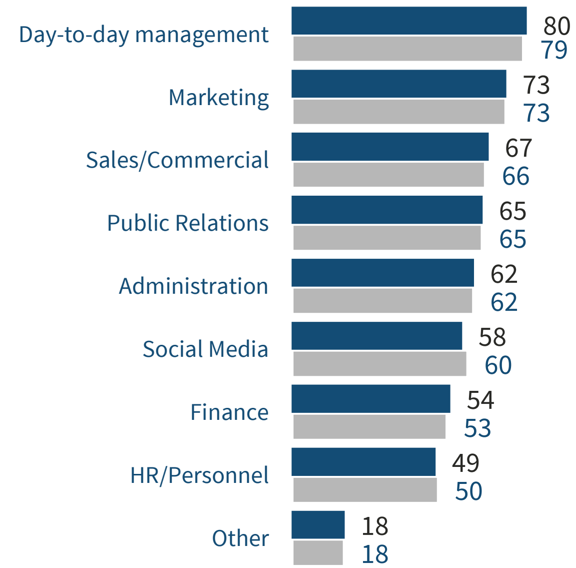


Type of property (5%+ shown)

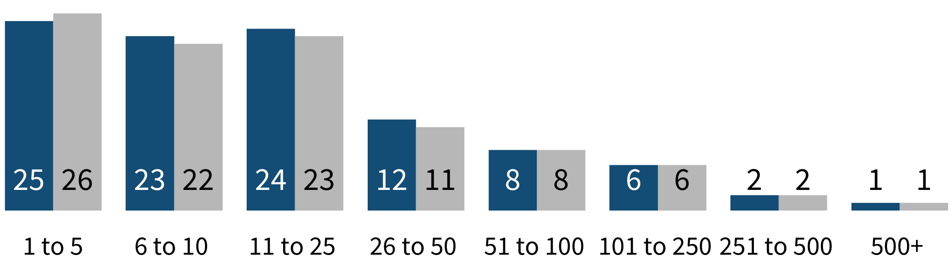




Functions of responsibility (%)



No of rooms in property (%)



Consumer survey sample size: Total of 34,016 respondents

Total (34,016)	Country of Residence	Interviews
Africa (852)	Morocco	23
	South Africa	715
	Other Africa	114
Asia (5,279)	China	854
	India	756
	Indonesia	433
	Japan	2001
	Malaysia	519
	Thailand	398
	Other Asia	318
Europe (14,458)	Austria	179
	France	1228
	Germany	900
	Greece	427
	Ireland	392
	Italy	2910
	Portugal	254
	Russia	1738
	Spain	798
	Switzerland	364
	Turkey	433
	United Kingdom (UK)	3214
	Other Europe	1621

Region	Country of Residence	Interviews
Middle East (395)	Egypt	34
	Israel	110
	Jordan	5
	United Arab Emirates (UAE)	115
	Other Middle East	131
N. America (exc. Mexico) (7,684)	Canada	1706
	Caribbean	82
	United States (US)	5896
S. America (3,137)	Argentina	317
	Brazil	2430
	Mexico	92
	Other South America	298
Australasia (2,211)	Australia	1,692
	New Zealand	519

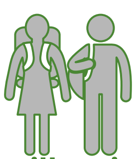
Consumer survey sample size by demographic

Demographic	Sub-groups	Interviews
Life Stage* (24,126)	Millennials	6,863
	Family	5,668
	Retirees	5,319
	No Children	6,276
Gender (34,016)	Male	17,610
	Female	16,406

Demographic	Sub-groups	Interviews
Age (34,016)	18-24	6,504
	25-34	9,909
	35-44	7,368
	45-54	5,271
	55-64	3,388
	65+	1,575

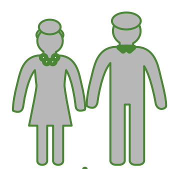
Life Stage definitions

***These definitions have been altered slightly since W1 2014**



Millennials

18-34 years of age, single, in a relationship or married, with no children under the age of 18 living at home

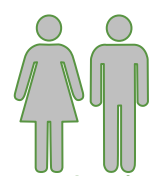


Retirees

55+ years of age, married, in a relationship, divorced/separated/widowed, with no children under the age of 18 living at home

Family

25-54 years old, married, in a relationship, divorced/separated/widowed and with more than one child under the age of 18 living at home



No family

35-54 years of age, with no children under the age of 18 living at home

Business survey – sample size

Total (10261)	Country of Residence	Base size
Africa (537)	Morocco	119
	South Africa	225
	Other Africa	193
Asia (1,248)	China	106
	India	281
	Indonesia	161
	Japan	168
	Malaysia	39
	Thailand	170
	Other Asia	323
Europe (5,377)	Austria	141
	France	767
	Germany	264
	Greece	363
	Ireland	66
	Italy	1745
	Portugal	147
	Russia	193
	Spain	524
	Switzerland	103
	Turkey	122
	United Kingdom (UK)	521
	Other Europe	421
Middle East (71)	Egypt	17
	Israel	20
	Jordan	6
	United Arab Emirates (UAE)	4
	Other Middle East	24
N. America (exc. Mexico) (1,258)	Canada	291
	Caribbean	129
	United States (US)	838
S. America (1,225)	Argentina	188
	Brazil	336
	Mexico	220
	Other South America	481
Australasia (545)	Australia	365
	New Zealand	180

Business survey – sample size

Category	Headings	Base size
Property Type (10,886)	Hotel	3242
	Hostel	395
	Resort	681
	Inn/B&B	4113
	Self catering	1991
	Camping	176
	Motel	288
Property Category (12,079)	Boutique	2374
	Luxury	1761
	Economy/budget	2424
	Mid-range	5520

How changes to annual travel spend/changes to vacation budgets have been calculated

As in Wave one 2014, respondents were asked to enter a figure in their local currency for the following two questions:

- **2014 actual travel spend (CQ21A)**: *How much did you spend in total on your holidays/vacations in the last 12 months? Please consider all spending including transport, accommodation, food and tourist attractions in your answer*
- **Estimate of actual travel spend in 2015 (CQ23):** *Thinking about your total spending in the next 12 months, how much do you intend to spend on your holidays/vacations? Please consider all spending including transport, accommodation, food, tourist attractions in your answer*.

For those who couldn't answer this question, we asked (**CQ25)**: *Do you expect to spend more, less, or the same amount on holidays/vacations in the next 12 months as you did in the last 12 months?*

Calculating the proportion of travelers who will increase/decrease vacation budgets:

- Those who gave a higher spend figure at CQ23 than CQ21A, and those who said they expected to spend more were asked CQ26 'why will you spend more in 2015 than in 2014?'. The number answering this question gives us the total number of travelers who will increase budgets from 2014 to 2015. We have used this to calculate the percentage of all travelers who will increase their budget.
- Similarly, those who gave a lower spend figure at CQ23 than CQ21A, and those who said they expected to spend less were asked CQ27 'why will you spend less in 2015 than in 2014?'. We used this to calculate the proportion of all travelers who expect their budget to decrease in 2015.

Calculating changes to actual value of annual vacation budgets:

- We cleaned the data by removing extreme outliers from answers given at CQ21A and CQ23.
- To calculate the % change in actual value between 2014's spend and estimated 2015 travel spend, we only included respondents that had answered **both** CQ21A and CQ23. We have based these calculations on the local currency the answers were given in.

The three most mentioned aspects to have a positive impact on the business' profitability

Market	Most mentioned	%	Second most mentioned	%	Third most mentioned	%
Greece	Decrease in flight fares	90	Local events, congresses	70	Press coverage	66
Morocco	Decrease in flight fares	86	Local events, congresses	66	The weather	66
Caribbean	Decrease in flight fares	84	Press coverage	59	Local events, congresses	52
Turkey	Decrease in flight fares	83	Press coverage	83	Local events, congresses	77
Portugal	Decrease in flight fares	82	Local events, congresses	68	Press coverage	68
Mexico	Decrease in flight fares	76	Local events, congresses	76	Changes in tourist attractions	67
Thailand	Decrease in flight fares	75	Changes in tourist attractions	58	Changes in transport connections	55
New Zealand	Decrease in flight fares	74	Local events, congresses	61	The national economy	56
South Africa	Decrease in flight fares	74	Current exchange rates	64	Local events, congresses	62
Brazil	Local events, congresses	74	Decrease in flight fares	69	Press coverage	65
Russia	Local events, congresses	80	Decrease in flight fares	67	Changes in tourist attractions	65
Indonesia	Decrease in flight fares	66	Changes in tourist attractions	64	Press coverage	64
Italy	Local events, congresses	74	Decrease in flight fares	66	Changes in tourist attractions	64
India	The national economy	67	Decrease in flight fares	64	Changes in transport connections	64
Japan	Decrease in flight fares	64	Current exchange rates	53	Local events, congresses	52
Spain	Decrease in flight fares	63	The national economy	63	Local events, congresses	62
Canada	Current exchange rates	70	Local events, congresses	59	Decrease in flight fares	55
Australia	Local events, congresses	61	Press coverage	54	Decrease in flight fares	51
China	Changes in transport connections	72	Local events, congresses	71	Changes in tourist attractions	59
France	Changes in tourist attractions	54	Local events, congresses	53	Press coverage	52
US	Local events, congresses	58	The national economy	58	Changes in the number of restaurants, shops, etc. in the area	53
Argentina	Local events, congresses	71	Changes in transport connections	48	Changes in the number of restaurants, shops	47
Switzerland	Local events, congresses	66	Changes in tourist attractions	52	Changes in transport connections	42
UK	Local events, congresses	60	Press coverage	52	The national economy	52
Austria	Changes in tourist attractions	56	Local events, congresses	55	Press coverage	47
Germany	Local events, congresses	57	Changes in tourist attractions	51	The national economy	46

What is the dream destination for each nationality?

Country of residence	1st dream destination (%)	2nd dream destination(%)	3rd Dream destination (%)
United States (US)	Italy (43)	Australia (42)	New Zealand (38)
United Kingdom (UK)	Australia (38)	New Zealand (37)	United States (36)
Italy	United States (34)	Australia (29)	Caribbean (23)
Brazil	Italy (39)	United States (36)	Greece (35)
Japan	Italy (29)	United States (28)	Spain (25)
Australia	Canada (42)	United States (40)	Italy (39)
France	United States (31)	Australia (26)	New Zealand (22)
Germany	Australia (32)	New Zealand (32)	United States (31)
Spain	United States (35)	Australia (28)	Japan (26)
India	Australia (29)	Switzerland (27)	New Zealand (27)
Russia	Italy (27)	Spain (23)	United Kingdom (21)
Canada	Australia (41)	Italy (40)	New Zealand (37)
China	United States (26)	Japan (26)	China (22)
South Africa	United States (38)	Italy (33)	United Kingdom (33)
Malaysia	New Zealand (35)	Japan (35)	United Kingdom (33)
New Zealand	United Kingdom (40)	United States (38)	Canada (36)
Turkey	United States (45)	Japan (37)	Australia (34)
Indonesia	Japan (27)	United Kingdom (26)	United States (23)
Greece	United States (39)	Caribbean (22)	Italy (22)
Thailand	Japan (28)	France (25)	United Kingdom (24)
Ireland	United States (40)	Caribbean (36)	New Zealand (35)
Switzerland	Australia (34)	New Zealand (32)	Caribbean (29)
Argentina	Greece (35)	France (34)	Italy (31)
Portugal	Australia (41)	United States (28)	Greece (28)
Austria	Australia (37)	Caribbean (35)	United States (29)
United Arab Emirates (UAE)	Italy (32)	Australia (31)	United States (31)
Israel	Japan (38)	United States (32)	New Zealand (29)

2015: CQ4. 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 (50,637)

Three most mentioned reasons for wanting to visit dream destination (% in brackets)

Dream destination	Most mentioned reason	Second most mentioned reason	Third most mentioned reason
US	I've always wanted to go (48)	The kind of activities I want to do (38)	A particular attraction/sight I want to visit (37)
UK	I've always wanted to go (51)	The kind of activities I want to do (41)	A particular attraction/sight I want to visit (39)
Italy	I've always wanted to go (49)	The kind of activities I want to do (42)	A particular attraction/sight I want to visit (38)
Brazil	I've always wanted to go (52)	The kind of activities I want to do (41)	I love exploring the area (39)
Japan	I've always wanted to go (50)	The kind of activities I want to do (41)	A particular attraction/sight I want to visit (37)
Australia	I've always wanted to go (48)	The kind of activities I want to do (42)	A particular attraction/sight I want to visit (35)
France	I've always wanted to go (50)	The kind of activities I want to do (41)	A particular attraction/sight I want to visit (39)
Germany	I've always wanted to go (49)	A particular attraction/sight I want to visit (41)	The kind of activities I want to do (40)
Spain	I've always wanted to go (51)	The kind of activities I want to do (42)	A particular attraction/sight I want to visit (40)
India	I've always wanted to go (53)	The kind of activities I want to do (42)	I love exploring the area (38)
Russia	I've always wanted to go (56)	The kind of activities I want to do (42)	A particular attraction/sight I want to visit (42)
Canada	I've always wanted to go (49)	The kind of activities I want to do (42)	A particular attraction/sight I want to visit (37)
China	I've always wanted to go (48)	The kind of activities I want to do (39)	I love exploring the area (36)
South Africa	I've always wanted to go (53)	The kind of activities I want to do (44)	I love exploring the area (37)
Malaysia	I've always wanted to go (53)	The kind of activities I want to do (43)	I love exploring the area (37)
New Zealand	I've always wanted to go (51)	The kind of activities I want to do (43)	A particular attraction/sight I want to visit (37)
Greece	I've always wanted to go (53)	The kind of activities I want to do (44)	A particular attraction/sight I want to visit (39)
Turkey	I've always wanted to go (55)	A particular attraction/sight I want to visit (43)	The kind of activities I want to do (41)
Indonesia	I've always wanted to go (51)	The kind of activities I want to do (44)	A particular attraction/sight I want to visit (36)
Ireland	I've always wanted to go (52)	The kind of activities I want to do (46)	A particular attraction/sight I want to visit (38)
Thailand	I've always wanted to go (49)	The kind of activities I want to do (42)	A particular attraction/sight I want to visit (36)
Switzerland	I've always wanted to go (52)	The kind of activities I want to do (41)	A particular attraction/sight I want to visit (41)
Argentina	I've always wanted to go (53)	The kind of activities I want to do (44)	A particular attraction/sight I want to visit (37)
Portugal	I've always wanted to go (55)	The kind of activities I want to do (44)	A particular attraction/sight I want to visit (41)
Austria	I've always wanted to go (52)	The kind of activities I want to do (42)	A particular attraction/sight I want to visit (41)
UAE	I've always wanted to go (53)	The kind of activities I want to do (40)	A particular attraction/sight I want to visit (37)
Israel	I've always wanted to go (53)	The kind of activities I want to do (44)	A particular attraction/sight I want to visit (40)

2015: CQ4. 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 (50,637)