

U.S. summer travel prediction

May 2014

Adobe Digital Index



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This summer more consumers will book trips online than ever before.

Key insights

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Key insights

New record for total online video consumption

- Online video consumption across mobile devices (smartphones and tablets) is at an all-time high 25%, with **57%** year-over-year growth in the U.S. (Q1 2013 vs. Q1 2014)
- **35.6 billion** global online video starts in Q1 2014, a new record and a 43% year-over-year increase. (Sample size: 1,300+ Adobe Marketing Cloud customers)
 - Game consoles and OTT devices continue to be the fastest growing device for online video with a **123%** year-over-year increase (Jan 2013 vs. Jan 2014)
 - Smartphone online video starts grew: 48% YoY and 6% quarter-over-quarter
 - Tablet online video starts grew: 23% YoY and 8% quarter-over-quarter

TV Everywhere growth outpaces online video start growth

- **246%** year-over-year growth for TV Everywhere video consumption across devices (excluding Sochi Olympic data)
- **539%** year-over-year share growth of TV Everywhere authenticated video from gaming console and OTT access types

Key insights

Spending online between Memorial Day and Labor Day will be up **15%** from last year.

- In the US, **\$61 billion** will be spent online this summer.
- US airlines are seeing the biggest year-over-year bookings growth, up **28%** at the peak of the season in July
- Each travel segment (Airline, Online Travel Agency, Car Rental and Hotel) is up year-over-year in bookings

Smartphone bookings growing fastest at **121%** YoY

- Other devices:
 - Tablet: 48% YoY
 - Gaming Console: 60% YoY
- OTA segment has highest smartphone bookings growth at **110%** since Jan 2013.

Top destinations mentioned in social media have Hawaii leading the pack with 1.1 million mentions since April 8.

1. Hawaii – 1.1 Million
2. Orlando 1.08 Million
3. Las Vegas – 906k
4. San Diego – 891k
5. San Francisco – 798k

BOOKINGS GROWTH

Indexed growth rates

Online travel bookings are up 15% YoY.

The findings:

- Q1 2014 set a new record for total online travel bookings of 61 billion
- Summer ramp up peaks in July and is over by September

The opportunity:

As more consumers turn to online for their summer travel bookings, airline, car rental, and hotel companies will see a drop in expenses due to online replacing more expensive phone bookings. Not only are online bookings less expensive, but also they more opportunities for custom targeting through digital marketing technologies.



BOOKINGS GROWTH

Travel trends by segment

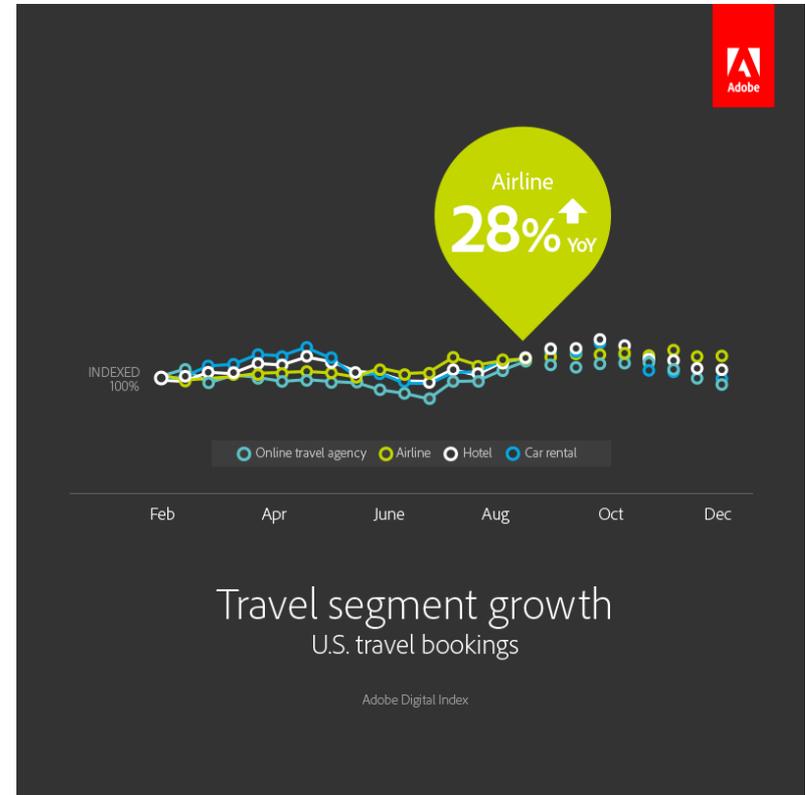
Booking directly with airlines is experiencing the most growth.

The findings:

- U.S. travel bookings are growing the fastest in the airline segment, up 28% YoY in April 2014.
- Online travel agency bookings growth is up 25% YoY in April 2014
- Car rental bookings growth is up 25% YoY in April 2014
- Hotel bookings growth is up 23% YoY in April 2014

The opportunity:

All segments are experiencing tremendous growth but the fact that airlines are growing faster than online travel agencies may signal consumer preference for brand and loyalty as opposed to lowest price preference.



BOOKINGS BY DEVICE

Share of bookings by device

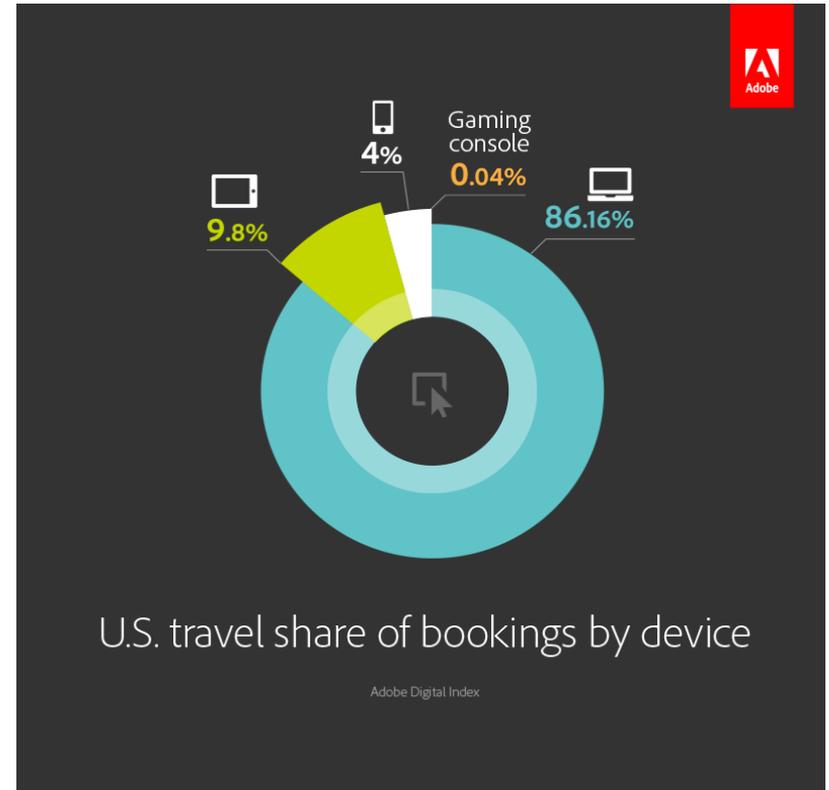
PCs are still the most common way of booking but given huge holiday sales of PS4 and XBOX One, gaming consoles have now entered the fray.

The findings:

- PC has the largest share of bookings at 86%.
- Tablets have the largest share of mobile device bookings at nearly 10%.

The opportunity:

The number of access points to online travel bookings is expanding all the time. Websites now have to support PC, tablet, smartphone and gaming devices.



BOOKINGS BY DEVICE

Trend of bookings by device

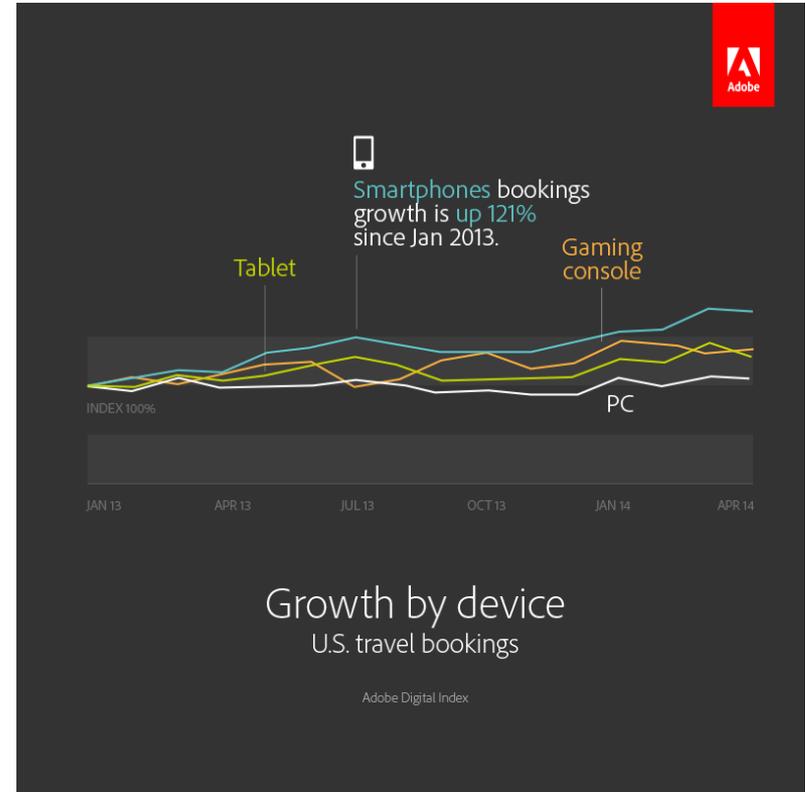
Smartphone bookings are growing most rapidly.

The findings:

- Smartphones indexed bookings growth is up 121% since Jan 2013
- Gaming console indexed bookings growth is up 60% since Jan 2013
- Tablets indexed bookings growth is up 48% since Jan 2013.

The opportunity:

The combination of improvements to mobile web and increased application functionality in combination with device improvements of larger phone screen sizes and faster data connection speeds have given smartphones a leg up over tablets in terms of overall growth this year.



BOOKINGS BY SEGMENT

Trend of bookings by device

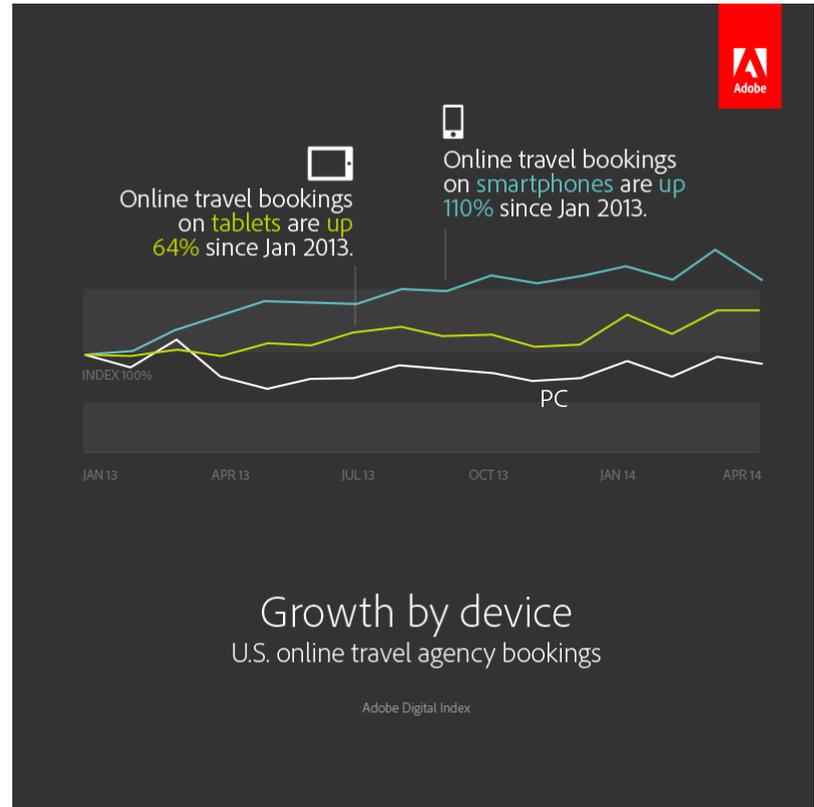
Online travel agencies (OTA) have the highest growth rate in smartphone bookings.

The findings:

- Online travel agency bookings on smartphones are up 110% since Jan 2013
- Online travel agency bookings on tablets are up 64% since Jan 2013.

The opportunity:

OTAs have more mobile traffic than ever before. Additional features of smartphones like built in cameras and location awareness offer increased opportunities to interact with customers in much more personalized ways.



BOOKINGS BY SEGMENT

Trend of bookings by device

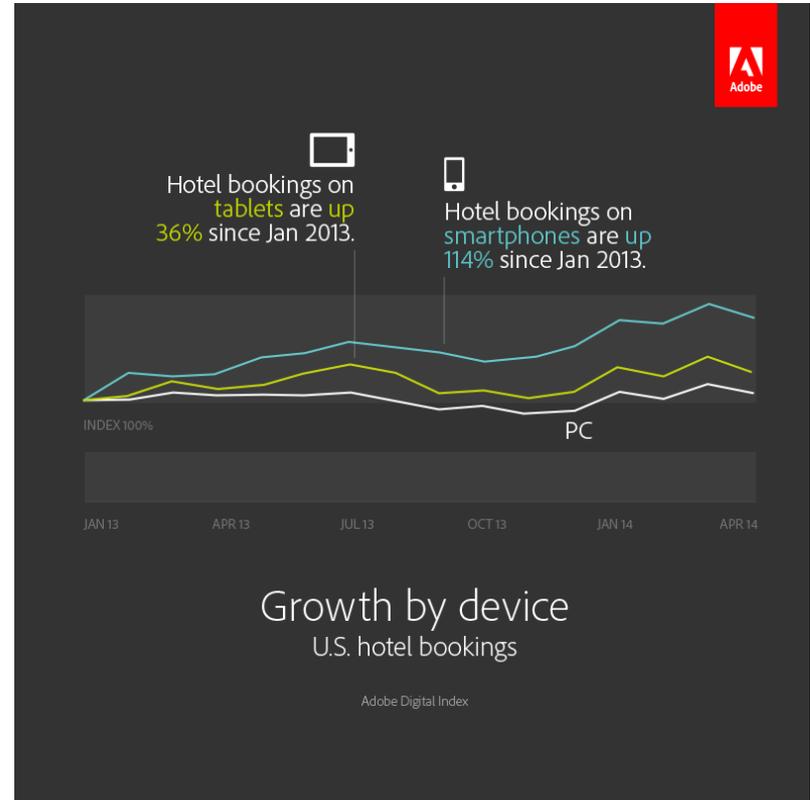
Booking directly with a hotel is the second fastest segment for smartphone bookings growth.

The findings:

- Hotel bookings on smartphones are up 114% since Jan. 2013
- Hotel bookings on tablets are up 36% since Jan 2013

The opportunity:

Hotels have the opportunity to capture a higher room rate or to offer more personalized vacation packages when customers interact directly. Smartphone's location awareness may be most useful to this segment as travelers may be directed immediately to the closest location to make their reservation from the road.



BOOKINGS BY SEGMENT

Trend of bookings by device

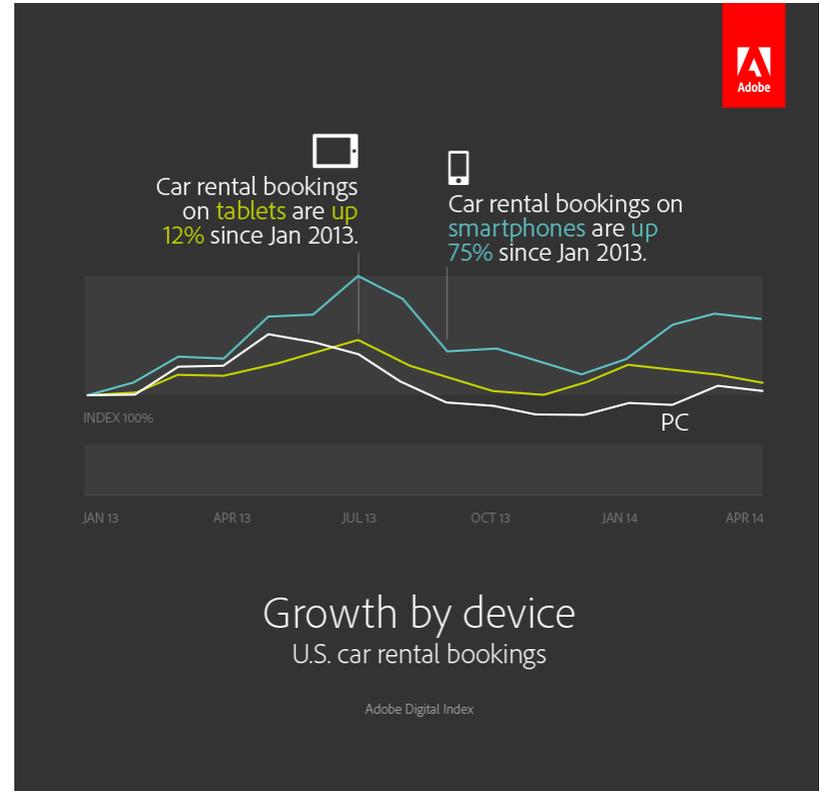
Car rental bookings see more seasonal fluctuation.

The findings:

- Car rental bookings on smartphones are up 75% since Jan. 2013
- Car rental bookings on tablets are up 12% since Jan 2013

The opportunity:

Summer seems to be a bigger car rental travel period versus winter when vacationers are more likely to be visiting family and not need a car. The growth of mobile traffic last summer, however will likely repeat itself this year since direct car rental reservations tend to be more last minute decisions. The ability to book on the fly via a smartphone will come in handy this summer.



BOOKINGS BY SEGMENT

Trend of bookings by device

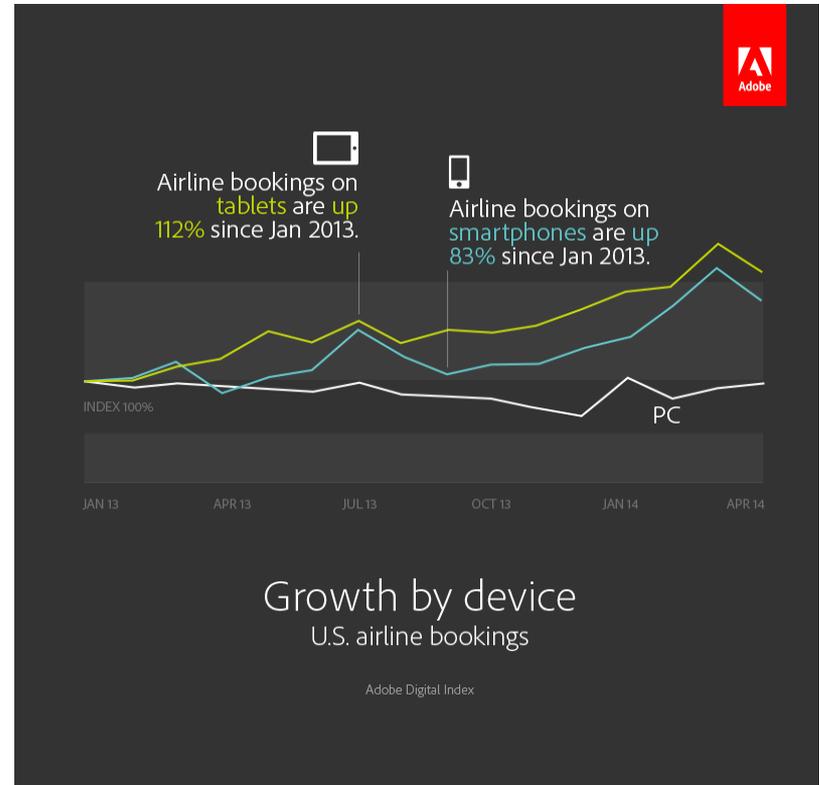
Airline are bucking the smartphone trend, seeing more growth in tablets than in smartphones.

The findings:

- Airline bookings on smartphones are up 83% since Jan 2013
- Airline bookings on tablets are up 112% since Jan 2013.

The opportunity:

Tablets are a great way to book air travel directly with airlines. Over the past year, however, both smartphone and tablet bookings have skyrocketed. A trend which may be fueling the increase in overall bookings in this segment because tablet users are more affluent and spend more.



ADOBE DIGITAL INDEX

Methodology

This report is based on consumer data from Adobe Analytics brand sites from 2012-2014. It is comprised of aggregated and anonymous data from global travel websites.

Sample information includes:

- 33 billion visits
- 1,300+ branded travel websites

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