

Net Value

Marketing Travel On The Internet



From Travel Business Analyst

Thailand promotes online

TAT (Tourism Authority of Thailand) says its Creative Tourism (CT) campaign generated 24.0mn online views from 119 markets across various online media over two months. The CT video was viewed by 1.2mn online visitors, and the brochure downloaded by 3724 visitors.

Some market analysis obtained from the program:

- The top-5 markets that participated in CT were Australia, India, Singapore, UK (*TAT says 'England', but it is mis-reading its own data*), US.
- The top-3 markets that saw a large participation by young people (a main target segment) were Australia, UK, US.
- The top-3 activities that potential tourists wanted to experience were massage, cooking, boxing. *This could be misleading information (particularly 'massage', often a euphemism for paid sex), as most leisure visitors to Thailand are there for sex and/or the exotic tourism product, which includes seaside hedonistic stays.*
- Foreigners working in Asia were most interested in bringing their families to learn about rice farming in Thailand because they want their kids to experience nature and local culture.
- Also, young people believe that acquiring new skills and experiences via travel can be listed on their CVs and perhaps help them get better jobs.

Three contestants from Australia, Croatia, Taiwan each won one-week holidays for two people in Thailand after participating in an online competition designed. Although CT was a worldwide campaign, key target markets were Australia, Canada, Germany, Japan, Scandinavia, Singapore, UK, US.

The total package prize was valued at US\$8000, plus US\$2000 cash.

PCW reports

Market data extracted from some recent PhoCusWright reports:

- Leisure and unmanaged business travel gross bookings in 2011 in Aus-

tralia and New Zealand grew 13% in the local currencies and 27% in US dollars.

PCW projects the online travel market in ANZ will grow in double digits this year and in 2013 – at almost twice the pace of the overall travel market. It puts the online share in ANZ at 36% in 2011, but forecasts it will be 41% in 2013.

- PCW expects travel bookings in **China** will be US\$105bn in 2013, with US\$15bn made online. It believes the online travel market will grow 500% over 2008-13.

It says the online travel market grew 76% in 2010 and 43% in 2011, taking it to US\$9.28bn (*Y59bn; PCW reports yen but we understand this should be yuan*).

- PCW says only 16% of **Eastern Europe's** travel market was booked online in 2011, but it expects that will reach 23% by 2013. PCW puts the total market at US\$85.1bn in 2011, and expects it to grow to US\$92.5bn by 2013, which would mean US\$20.9bn online.

Online growth will grow much faster than the total market - online growing 27% this year and 26% in 2013.

A major factor will be growth in the Russia travel market, by far the region's largest. PCW projects Russia's online travel share will climb from 10% of the Russia market in 2011 to 18% by 2013.

- PCW says the short-term apartment rental market in **Russia** will grow 40% to US\$6bn this year. It forecasts internet sales in Russia in 2013 will be US\$10.4bn with 20% of travel bookings made online.

Bites

- **Japan Airlines** plans to offer high-speed, wireless internet service on its Tokyo-New York routes starting this month. Current plans then show service starting November on Chicago, Jakarta, Los Angeles routes, then on Frankfurt, London, Paris routes by spring 2013.

Charge for the 'JAL Sky WiFi' will be US\$11.95 for the first hour or US\$21.95 for 24 hours. There are small discounts for payment by some credit cards - US\$10.75 and US\$19.75.

And passengers in first and business class get a free one-hour trial on the New York route through September.

- Research and Markets, a company, has forecast growth for the **India** online market through 2011 – although its report was released last month. It says the market "will grow" (*although the grammatical phrase at this time should be "will have grown"*) at an annual average rate of 46% from 2007 to reach US\$4bn in 2011.

R&M usually gets its data from other sources, not always named. Earlier, its reports showed a forecast of US\$6bn for 2010, and in another report before that, the forecast was for US\$4bn in 2011 – the same as its current 'forecast'.

(PhoCusWright, which earlier was strong on the India market, was reporting a US\$7bn market in 2010.)

R&M also has a new report on India's mobile travel market. Again it reports an end-2011 mobile-based travel spend as a forecast – it "will be" US\$1434 per transaction. And US\$2321 by the end of this year. It adds that there were 13.4mn "mobile internet buyers" in 2011 and there will be 14.8mn by end-2012.

Unfortunately, definitions are incomplete or the numbers are simply mis-stated, because a calculation would put the mobile online market nearly five-times bigger than the total online travel market!

We presume R&M's mobile internet buyers are actually all purchases, not just purchases of travel.

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