

Net Value

Marketing Travel On The Internet



From Travel Business Analyst

AsPac online nears 25%

PhoCusWright expects online travel bookings* in AsPac (Asia Pacific) will reach 25% of all travel bookings in 2013, representing US\$91bn, see Table 1. It puts the share at 22% in 2011.

To reach this, PCW expects the growth rate for online bookings will be almost twice the growth rate for all travel – 18% compared with 9% for all travel this year, and 15% and 8% in 2013.

Table 1

Asia Pacific online travel bookings*, US\$bn					
Year	Total	Growth,%	Online*	Growth,%	Share,%
2013	357	8	91	15	25
2012	331	9	79	18	24
2011	303	15	67	26	22
2010	264	21	53	33	20

Notes: *Leisure and "unmanaged business travel"; see editorial.
Source: PhoCusWright.

Of the market regions broken out by PCW, see Table 2, Japan is expected to fall from a 41% share of the online total in 2011 to 37% in 2013. Also expected to lose share is Australia and New Zealand (ANZ; grouped together by PCW). They are losing share to China, India, Southeast Asia.

But for total travel bookings, PCW believes China will overtake Japan this year or next – it puts China at 28% of all regional travel in 2011 (with Japan at 30%) and 30% in 2013 (28%).

Within the markets, ANZ has the highest online share – 36% of all travel sold. Penetration in the China market, despite rapid growth, is still expected

Table 2

Online market shares*, %		
Market	2013	2011
Japan	37	41
ANZ	16	18
China	17	14
India	10	9
Southeast Asia	14	12

Notes: *Of total AsPac. ANZ = Australia and New Zealand. Source: PhoCusWright.

to be only 15% of the total China market in 2013.

PCW says suppliers were selling more than twice as much online travel in 2011 as OTAs (online travel agencies). It expects OTA sales will grow faster, but makes no numerical forecast.

**For online travel, PCW measures leisure travel and what it calls "unmanaged business travel" – business travel that is not covered by*

corporate business travel policies.

Bites

- **Travel Rent**, a Russia-based online service for short-term apartment rentals, has raised US\$2mn from venture capital fund Frontier Ventures. By 2015, TR targets to have 5mn registered users.

TR wants to increase the number of its listings from 25,000 now to 45,000 in 2013.

- **Etihad Airways** has 270,000 fans on its Facebook English-language page, launched in March 2011. Two months earlier it said it had just 100,000 fans.

It has now launched an Arabic-language page.

- The share of **US travellers** who visited an independently-selected vacation destination in 2012 increased 2% to 60%, but it fell 2-3% in France, Germany, UK.

The share of travellers in the three Europe markets who travelled to a destination to visit friends or family increased 2% - consistent with lower

consumption of paid lodging. *Source: PhoCusWright.*

- **ABCS** (Automated Border Control System), the electronic **border-crossing gates** or egates, at Amsterdam's Schiphol airport, expects to process the 1mn-th passenger next month.

The 36 egates, opened March this year, were developed by Accenture and Vision-Box for the Netherlands government.

On average, the egates process a passenger in eight seconds (from placing a passport on the scanner until the exit doors open). 65% of passengers do not have to wait to enter an egate, and 97% wait less than four minutes to enter a gate during peak times.

- Summer for OTA **Bravofly** in France:

- Flight-only bookings up 54.6%.
- Average booking up 12.6% to US\$251 (€196).
- Average stay up 13% to 7 days.
- The booking window (time between date of booking and date of departure) lengthened - from 38.4 days in 2011 to 42.5 this past summer.

- A study by the UK government and Concur on **business travellers** found:

- 83% using mobile apps on the road agree it improves the experience. But 39% are not using them (including 11% who do not have a smart device).

-Most-used apps are map sites such as Google or Bing (with 90% using them always, often, or occasionally) and social networking sites such as Facebook and Twitter (60%).

-18% agreed that expense reports are a pain, but 76% of app-using travellers have never downloaded or used one.

-77% complain of 'unproductive moments' on the move, but only 40% of app-using travellers use airline apps such as British Airways and only 32% use airport information apps such as GateGuru or the Heathrow app often, regularly or occasionally.

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