

Travel Flash Report

Get ready for a mobile summer



Introduction

As the entire travel industry rapidly adapts to mobile usage, Criteo now analyzes millions of online bookings every day, on all devices and from hundreds of global travel suppliers and online travel agencies (OTAs). This gives Criteo a front-row seat to observe the very latest trends in travel. This mid-year publication is complementary to the comprehensive report we publish in September. Here we present key observations and recommendations to help travel advertisers better leverage the mobile opportunity before the summer season.

In summary:



Smartphone bookings are expected to surge, particularly last-minute bookings.



Cross-device will heavily impact booking attribution.



State-of-the-art apps will generate the majority of mobile bookings.



OTAs are best positioned to capture the largest share of hotel bookings.

Methodology: This report comes from the analysis of data collected from more than 1,000 travel advertisers since early 2015, worldwide. Comparators were not taken into account. Instead, the study focuses on travel suppliers and online travel agencies (OTAs). The numbers of bookings are those measured directly on advertisers' websites and do not reflect the activity of Criteo. This methodology is compliant with that used for the Mobile Commerce Report published by Criteo.

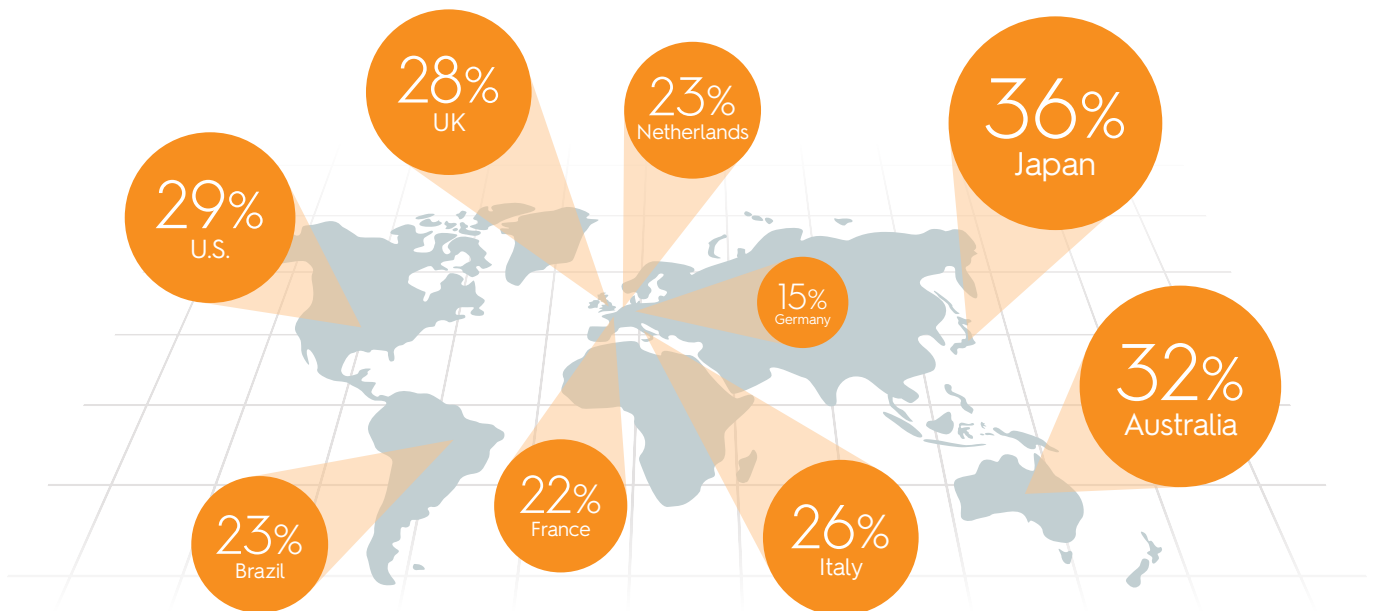
It's going to be a mobile summer

Mobile booking is up in all markets and most travel subcategories

Mobile accounted for 27% of travel bookings worldwide in Q1 2016 and 29% in the U.S. This takes into account smartphones and tablets, and it does not include apps (see page 6), which can represent a significant contribution to mobile sales. In 2015, the share of mobile bookings increased for most travel subcategories in all countries.

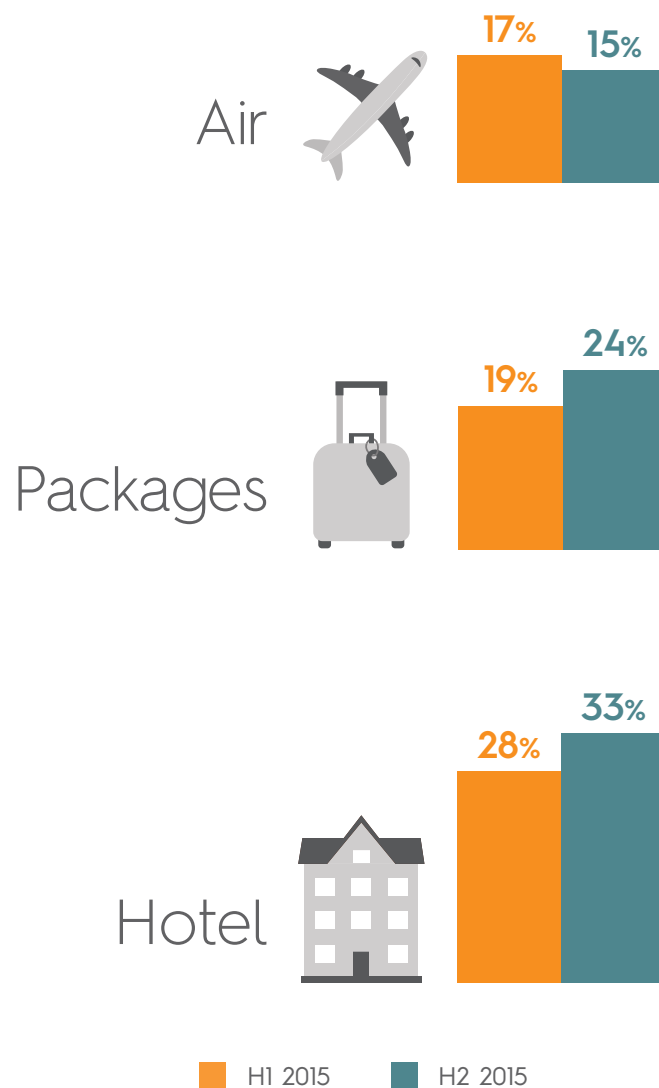
Mobile bookings are also subject to significant seasonal variation. In the U.S. last year, the share of mobile bookings rose significantly in the summer, increasing by 21% between April and July. The same pattern is anticipated for the upcoming summer season.

Share of mobile bookings for select countries, Q1 2016*



*All travel subcategories, OTAs and suppliers, excluding apps.

Share of mobile bookings for H1 and H2 2015*



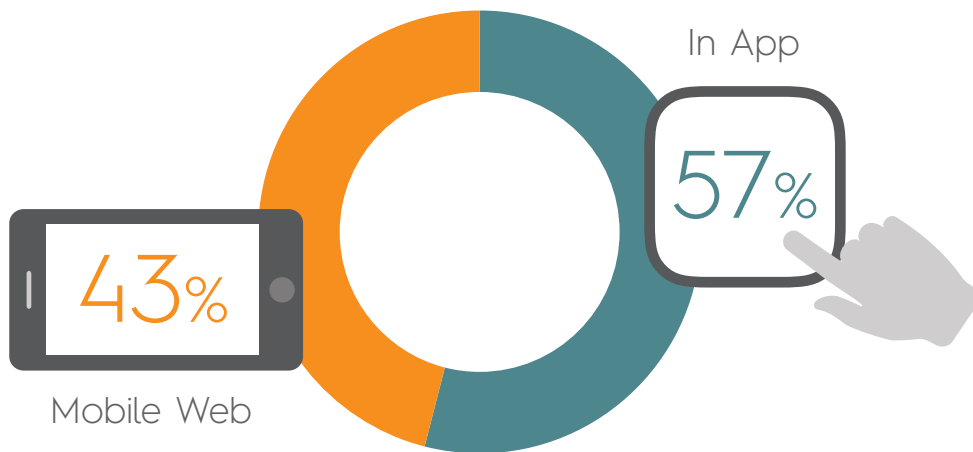
*Worldwide, OTA and suppliers, excluding apps.

Apps matter more than ever

According to a recent study from Fuel*, 31% of North American leisure travelers have used at least one mobile app in planning travel, and 52% would also use a mobile app to purchase additional services while traveling.

With investment in in-app tracking and advertising, committed advertisers** see a surge of bookings made from apps. Apps generated 57% of mobile bookings in Q1 2016, up from 40% in Q3 2015. In total, app bookings increased 3 points in just 90 days and 40 points in 18 months.

Share of in-app bookings



*Source: Fuel, "2016 Leisure Travel Trends: What Smart Hotels Need to Know," March 3, 2016.

**Source: Criteo, Q1 2016, worldwide, all travel sub-categories, OTAs and suppliers. Includes sites that have over 25% of e-commerce transactions on mobile, 10% of which are from mobile apps.

Smartphones are a game changer — especially for OTAs

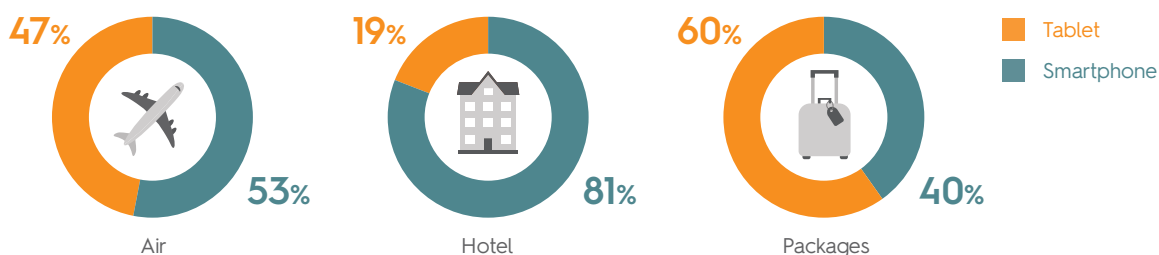
The smartphone is the kingmaker for hotels

Both tablets and smartphones are important, but smartphones make the difference. Some travel subcategories are more mobile than others, and some are more adapted to smartphones.

For several travel subcategories, smartphones dominate mobile bookings. Looking at U.S. OTAs, smartphones beat tablets hands down for hotel bookings, with an 81% share. They also generate more than half of flight bookings, with a 53% share. For packages, tablets

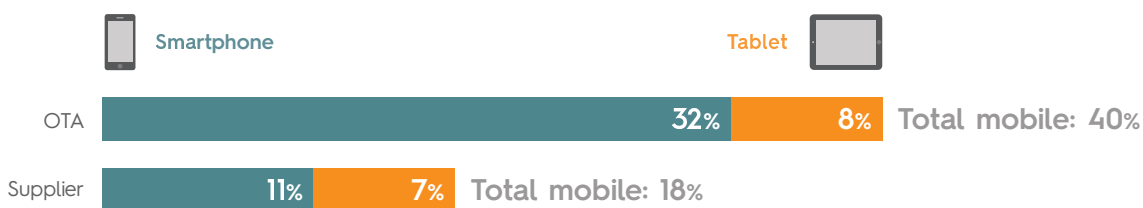
remain the leader, with 60% of mobile bookings. Hotel OTAs generate 32% of bookings on smartphones, but hotel suppliers remain far behind, with just 11% of bookings made via smartphone.

Distribution of mobile bookings by device, select subcategories*



*Source: Criteo, Q1 2016, U.S., Air, Hotel, Packages subcategories, only OTAs, excluding apps.

Share of mobile bookings for hotel OTAs and hotel suppliers*



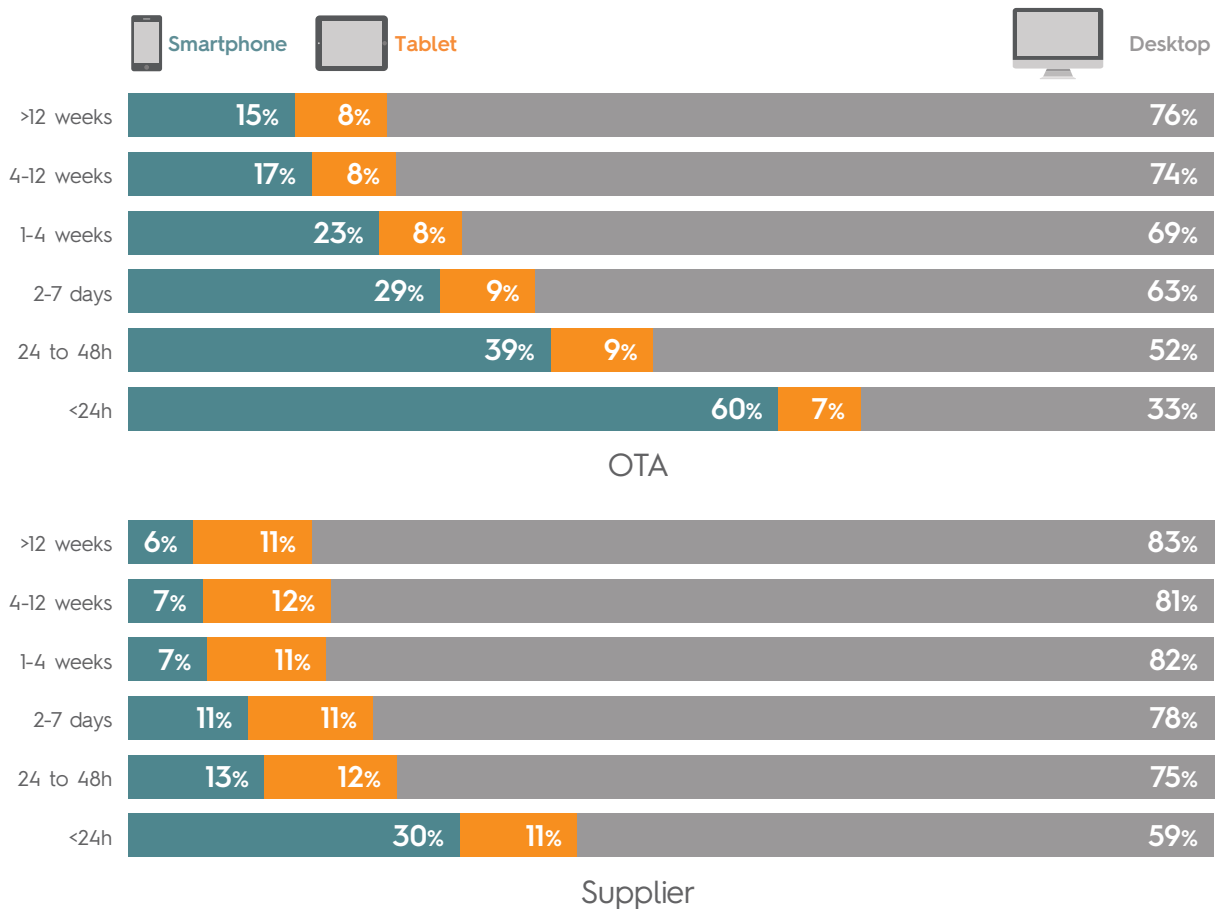
*Source: Criteo, Q1 2016, U.S., Hotel OTAs and suppliers, excluding apps.

Smartphones sway last-minute bookings

For U.S. hotel OTAs, 60% of last-minute bookings were made on smartphones in March 2016, for a total of 67% mobile bookings when tablets are included. Here again, suppliers lag behind in terms of mobile adoption. With a much lower share of last-minute bookings

made on mobile devices (30% on smartphone and 11% on tablet), they are clearly missing an opportunity to fill last-minute rooms, seats or vehicles through direct bookings.

Time between booking and check-in, by device type, for OTAs and suppliers*



*Source: Criteo, Q1 2016, U.S., Hotel OTAs and suppliers, excluding apps.

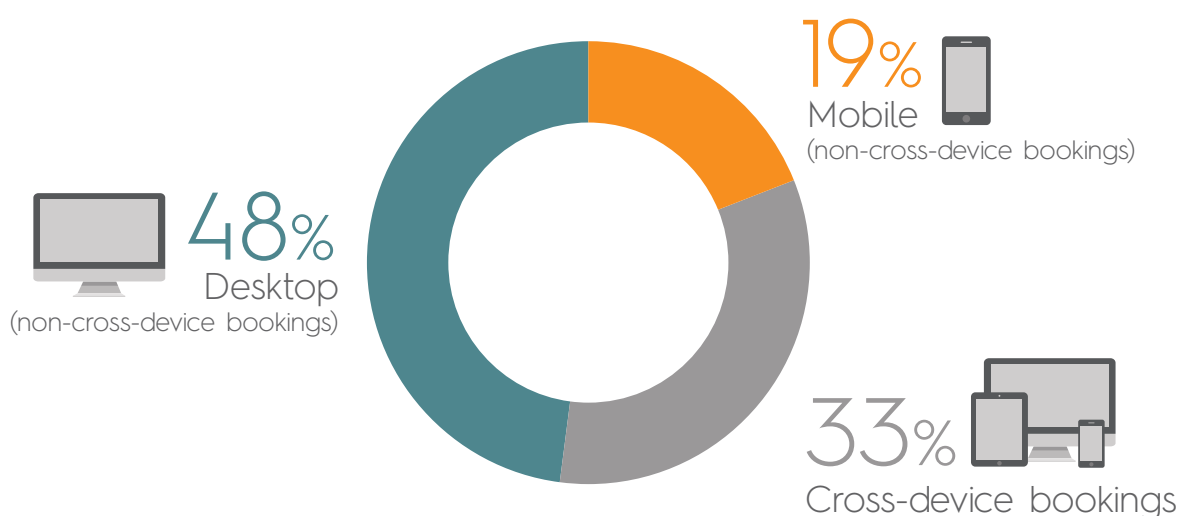
Cross-device heavily impacts booking attribution

More than half (52%) of total travel bookings in the U.S. involve either mobile or multiple devices.

This underscores how crucial it is for travel advertisers to track user behavior across devices. Without such tracking, it is impossible to get an accurate reading of the customer path to purchase or correctly assess purchasing intent.

On the other hand, marketers who are able to get a holistic view of their customers' browsing behavior across devices can more accurately adjust programmatic bids, serve better product recommendations, optimize banner performance and drive significantly higher ROI overall.

Share of bookings by device, U.S., All Travel, Q1 2016*



*Includes consumers matched across multiple devices by a universal ID and/or hashed email.

Conclusion

Implications for travel advertisers:



App bookings are on a roll,
and merchants who invested in and promoted apps early are now reaping the benefits.



A fully optimized mobile environment is a must-have,
as mobile generates the majority of last-minute reservations.



Comprehensive cross-device tracking is vital,
as 33% of user booking decisions are influenced by multiple touchpoints.

About Criteo

Criteo (NASDAQ: CRTO) delivers personalized performance marketing at an extensive scale. Measuring return on post-click sales, Criteo makes ROI transparent and easy to measure. Criteo has 2,000 employees in 31 offices across the Americas, EMEA and Asia-Pacific, serving 11,000 advertisers worldwide and with direct relationships with 16,000 publishers.

For more information, please visit

www.criteo.com

