THE NEW DIGITAL TRAVELER

Your Guide to Winning More Buyers and Bookings in Asia-Pacific

Asia Pacific region (Australia, China India, Indonesia, Japan, Singapore, South Korea, Taiwan and Vietnam)

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The developed and developing worlds are converging in terms of consumers' online behaviour. In the developed markets, consumers are still more used to browsing for travel products on mobile devices, followed by booking on desktops and laptops. In the developing economies, it is much more common to use mobile devices for all stages of travel planning and booking, due to the ubiquitous presence of smartphones. However, the differences are closing. Consumer habits in the developed economies are shifting with increasing adoption of mobile devices at all stages, while the developing economies are catching up in infrastructure developments, such as higher penetration of laptops and desktops and greater security for online payments.

For travel players, it has become more challenging to engage travellers. With the proliferation of devices, travellers are sometimes frustrated that they do not get a consistent experience on multiple platforms.

It remains a challenge for travel players to be able to identify the same travellers on different platforms, and deliver relevant products and services at every stage of the travel process. For example, at dream stage, it is more important to provide a variety of information to inspire potential travellers; while at the search stage, it is more important to provide practical information, such as prices of products and services.

The future of the travel industry is full of opportunities. At Criteo, we anticipate technologies to continue to evolve and impact the travel business. In our vision for the future, we believe that travel players will be able to identify travellers consistently regardless of the device they use, and deliver a superior customer experience at every stage of the travel process, among many other innovations that will transform in the industry.

-- Yvonne Chang
Executive Managing Director APAC, Criteo

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EUROMONITOR INTERNATIONAL

CRITEO PARTNERED WITH EUROMONITOR INTERNATIONAL

to deliver brand new insights on digitally savvy travelers in the Asia Pacific region through an online consumer survey conducted in February 2017 among 1,900 travelers in Australia, China India, Indonesia, Japan, Singapore, South Korea, Taiwan and Viet Nam who search or book for travel products online.

Survey respondent profile across 9 markets

N=1900

GENDER

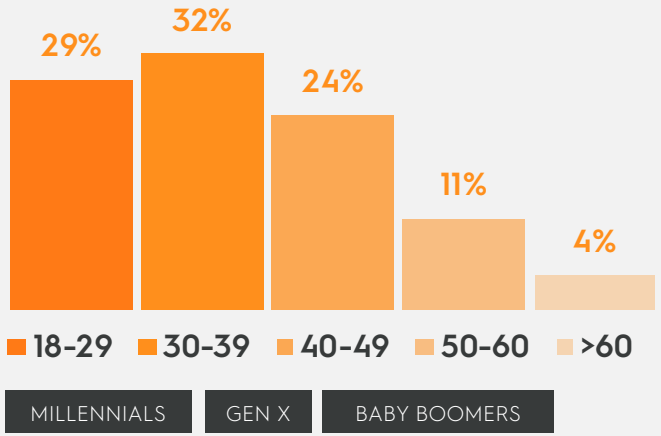
50%

50%

Device ownership or daily access

100%	61%	87%	67%
SMARTPHONE	TABLET	LAPTOP	DESKTOP

Travel planning and booking



65%

did online travel planning in the past one month

88%

made an online travel booking in the past three months

1. RISE OF THE SMARTPHONE
Leverage the growth of mobile usage in the region.

2. MEET THE MILLENNIALS
Say hello to the new generation of frequent travelers.

3. FROM INSPIRATION TO DESTINATION
Learn the ins and outs on the road to booking.

4. OPPORTUNITIES ARE KNOCKING
Know where to focus and shift your strategies.

5. READY FOR TAKEOFF
Enlist smart solutions to maximize conversions.

ABOUT THE NEW DIGITAL TRAVELER

In the Asia-Pacific region, online travel has grown by a whopping 21 percent per year between 2011 and 2016, and it's poised to grow by 13 percent per year between now and 2020. And travelers today are using tech like never before.

Understanding who they are, what factors are influencing their choices, and which devices they're using to search and book is key to capturing their business — now and in the future.

“Travel is the only thing you buy that makes you richer.”
– ANONYMOUS

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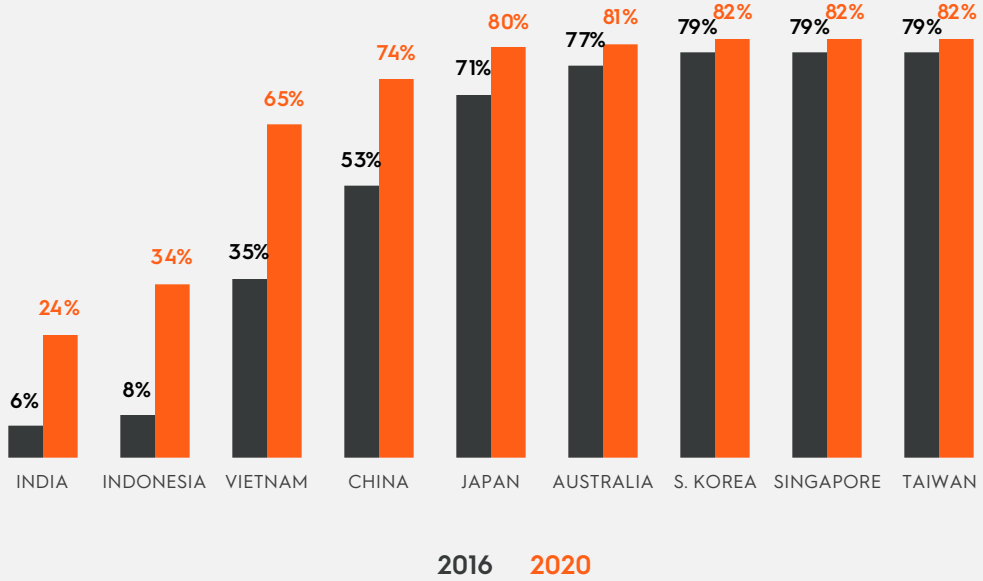
Smartphones are changing the travel booking experience from start to finish (and beyond).

Smartphones are ubiquitous – or will soon be. And the ways consumers use them are evolving faster than ever – especially for travel.

Developing markets are catching up fast on mobile penetration: by 2020, almost three out of four households in China and two out of three in Vietnam will be equipped.

Vietnam has the highest forecast growth in smartphone peneration, from 35 to 65%.

% of household possession of smartphones 2016-2020

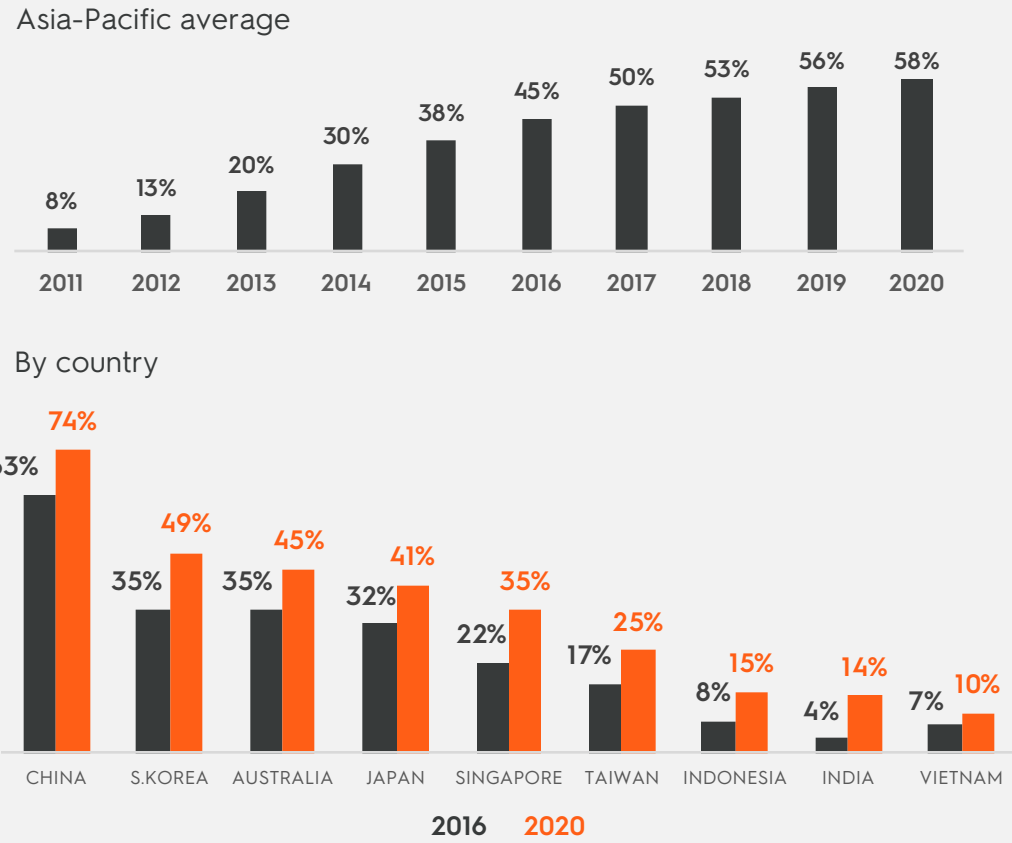


Mobile has crossed the 50% threshold in Asia-Pacific

Mobile travel sales account for half of the total in 2017.

They are expected to take up a bigger percentage of online travel sales, especially in China, where they are expected to account for nearly three quarters of online bookings by 2020.

Mobile travel sales
(as a percentage of online travel sales)



Consumer habits are changing to a mobile-first lifestyle

Double digit growth in mobile travel sales across all markets, specifically in South Korea and India.

SOUTH KOREA

58.7%

CAGR 2011-16

INDIA

62.2%

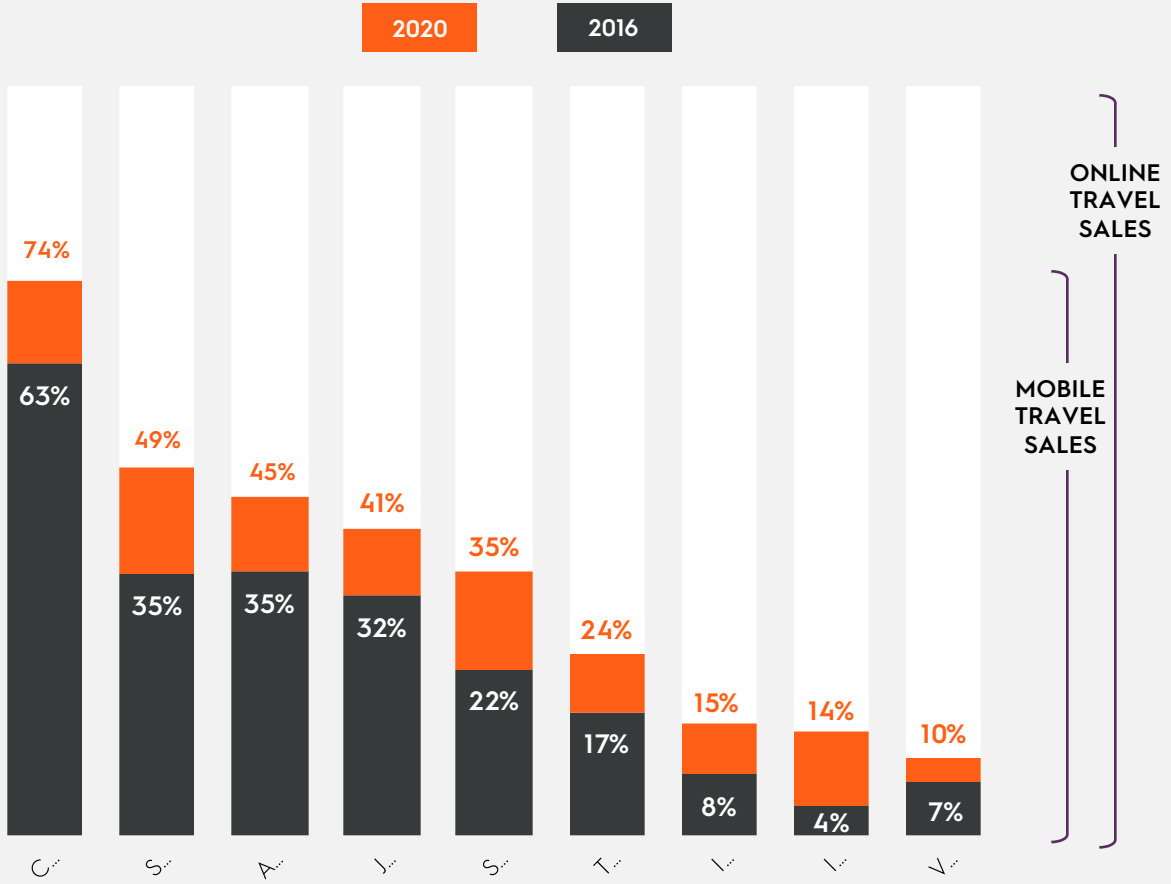
CAGR 2017-20

Appendix 4 – Historic and forecast online and mobile travel sales to residents from 2011-2020

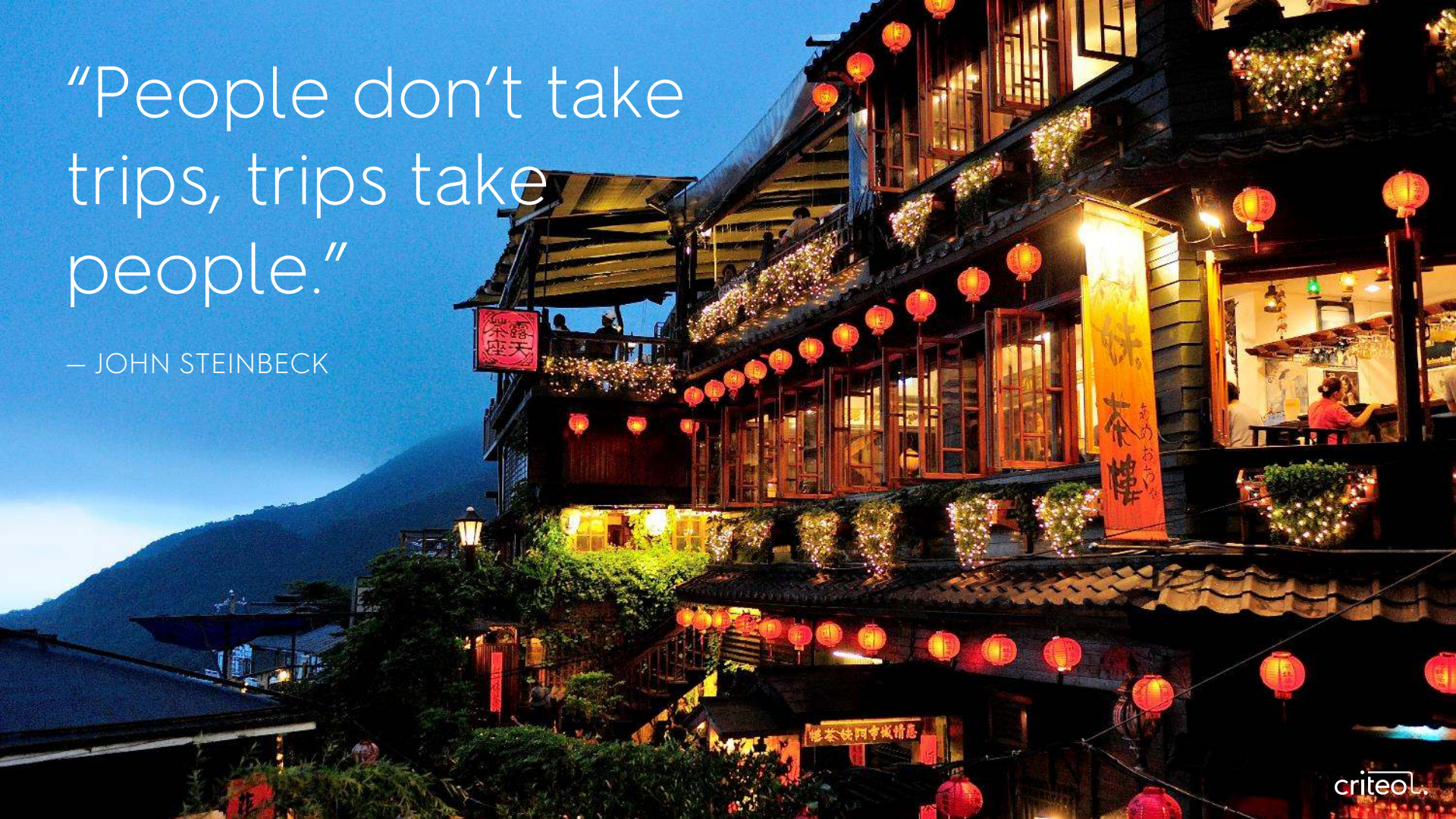
Mobile travel sales expected to contribute 3-14% more to online travel sales

Mobile travel sales are expected to take up a bigger percentage of online travel sales from 2016 to 2020, especially in developed markets such as South Korea and Singapore.

Among emerging markets, China has the highest mobile travel sales growth.



Appendix 4 – Historic and forecast online and mobile travel sales to residents from 2011-2020


“People don’t take trips, trips take people.”
– JOHN STEINBECK

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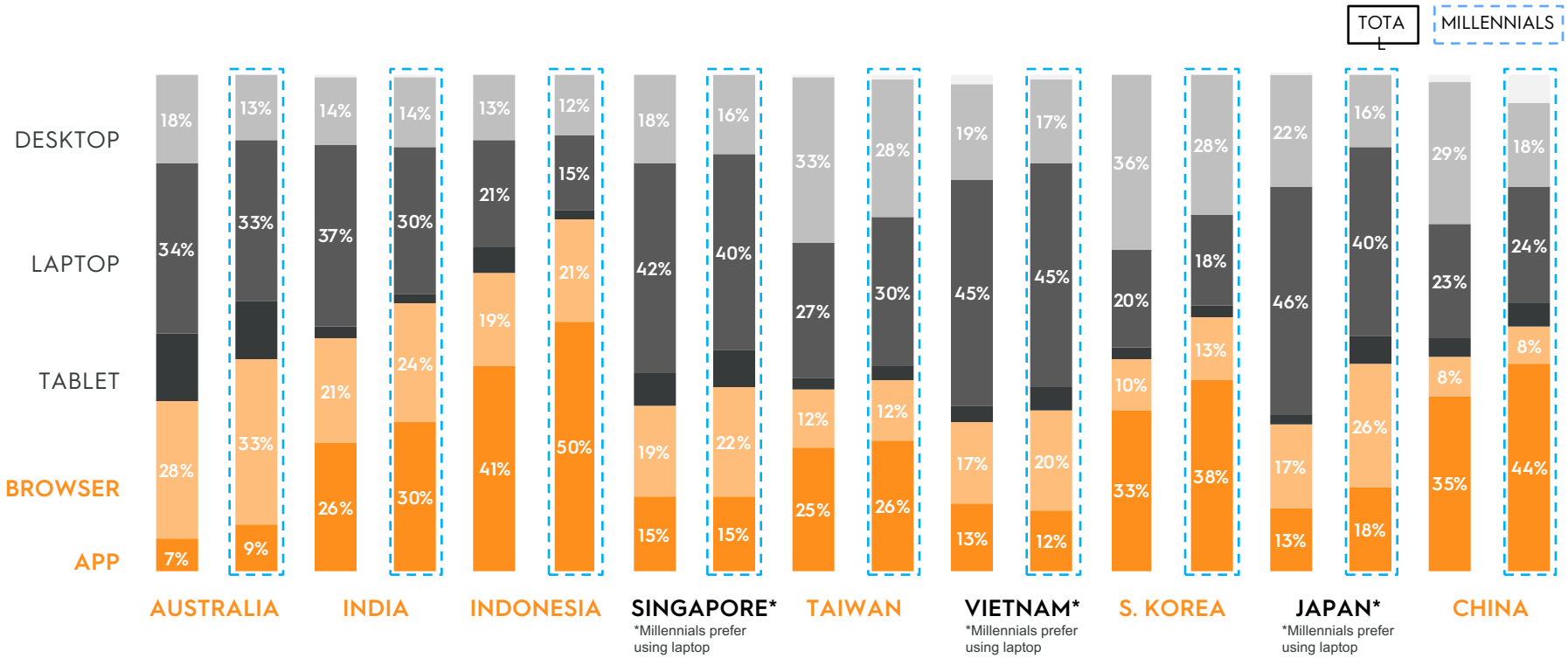
We surveyed travelers of all ages, but one generation is changing the game for everyone.

Who are millennials?

Millennials, born roughly from the early 80s to the late 90s, have grown up immersed in a world driven by digital advances — an environment that's given them the opportunity to quickly learn about and connect with people all over the world.

- Currently the largest global generation, at 2.5 billion worldwide
- Early- to mid-career professionals, from 20-36 years old
- Heavy tech users, owning an average of 4-5 devices
- Social media enthusiasts active across platforms like Facebook, Instagram, Twitter, Whatsapp, and WeChat
- Regular globetrotters, traveling about 5 times a year

Millennials like using their smartphones when it comes to travel browsing



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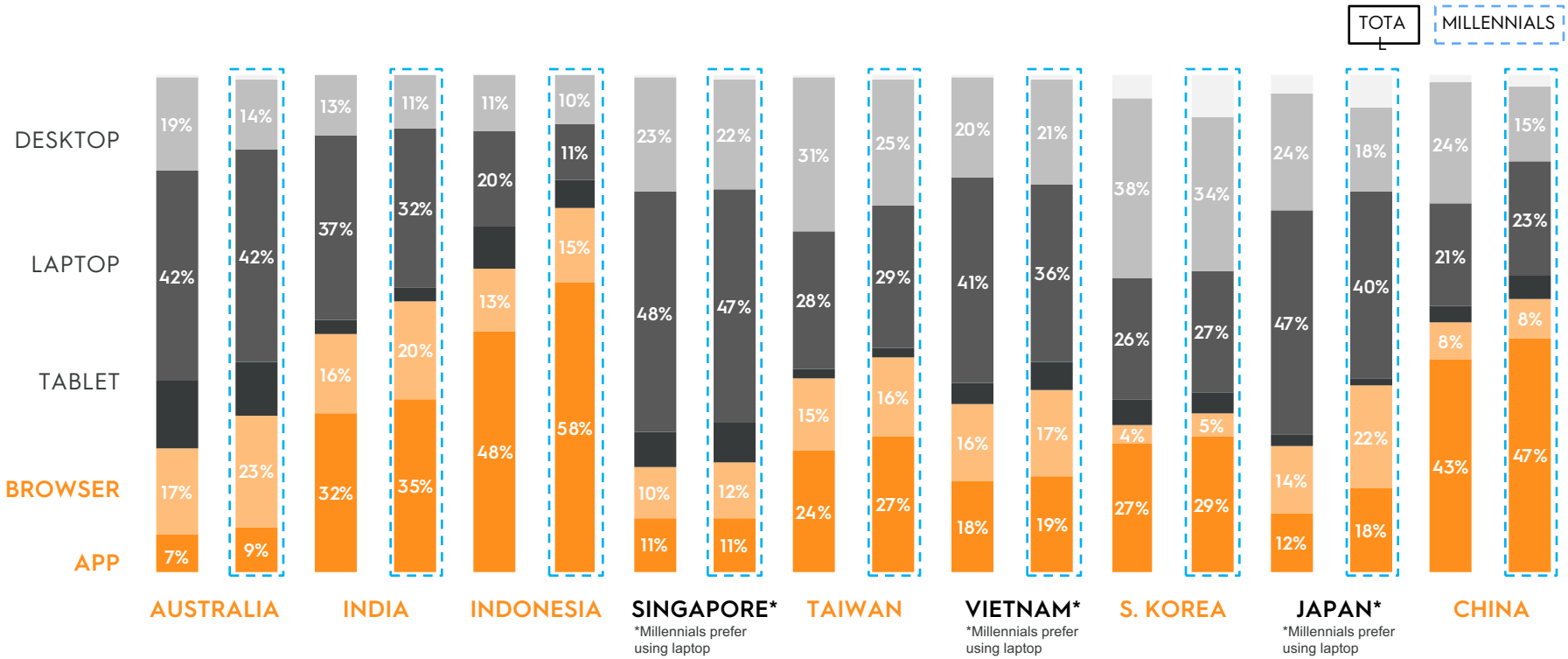
Millennials also generally prefer using smartphones for booking



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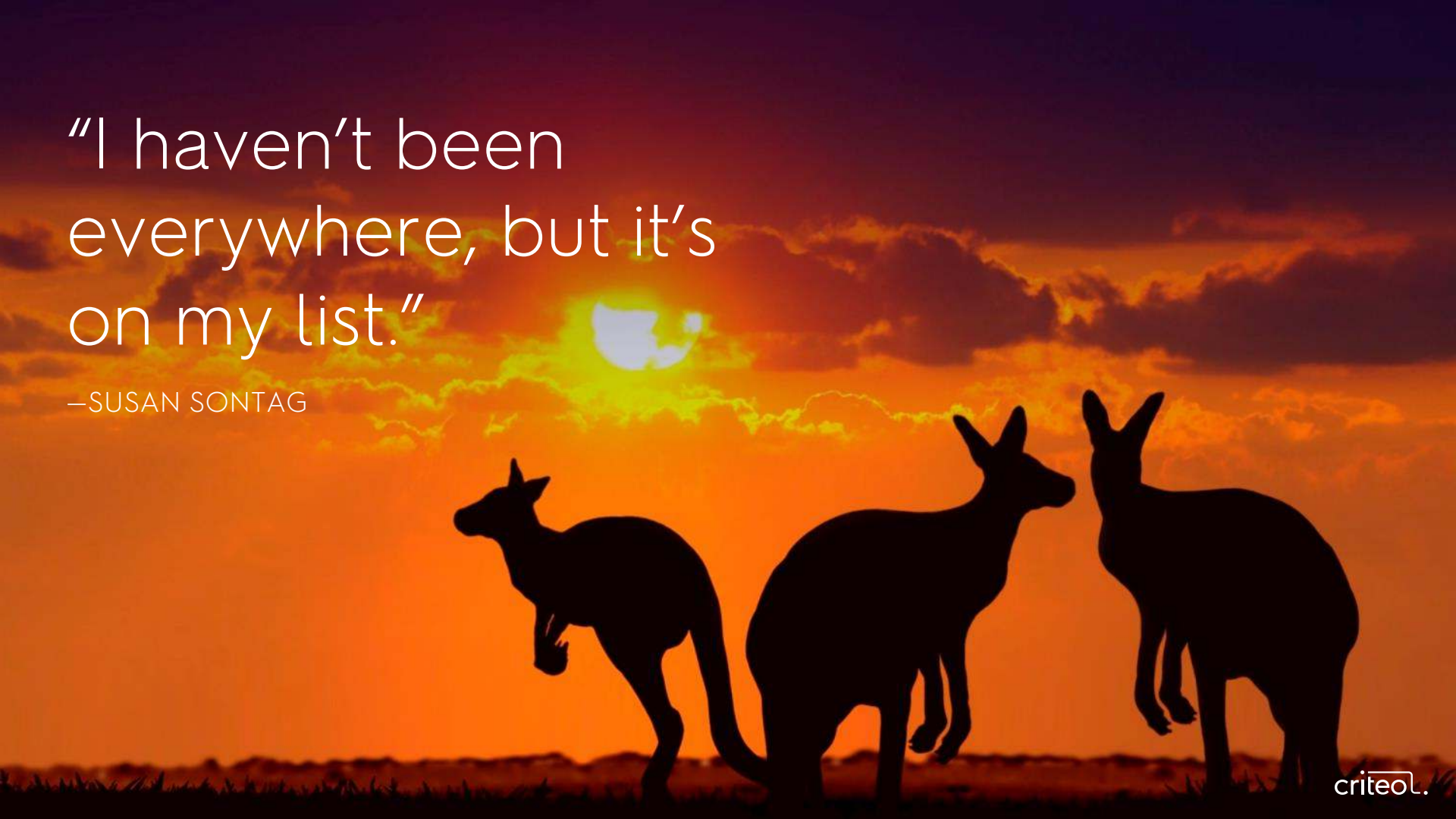
“I haven’t been everywhere, but it’s on my list.”
—SUSAN SONTAG

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Every step of the traveler's path is paved with technology.

Here's Lucy.

She's 30 years old, works in fashion, and lives in Singapore.

She wants to go to Paris two months from now.

What are the steps that Lucy will take before, during, and after traveling to Paris?

dream

search

book

visit

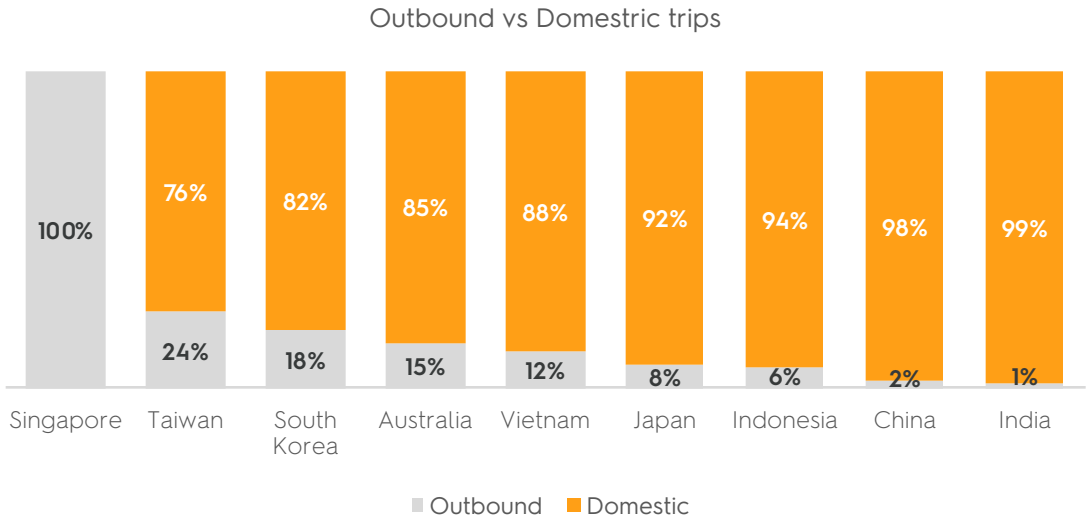
share

dream

Lucy starts thinking about taking a trip.

In most Asian countries, the majority of trips are domestic…

While Singaporeans take most of their trips abroad, across all other countries in the APAC region, domestic trips dominate.



...and the top destinations tend to stay within Asia.

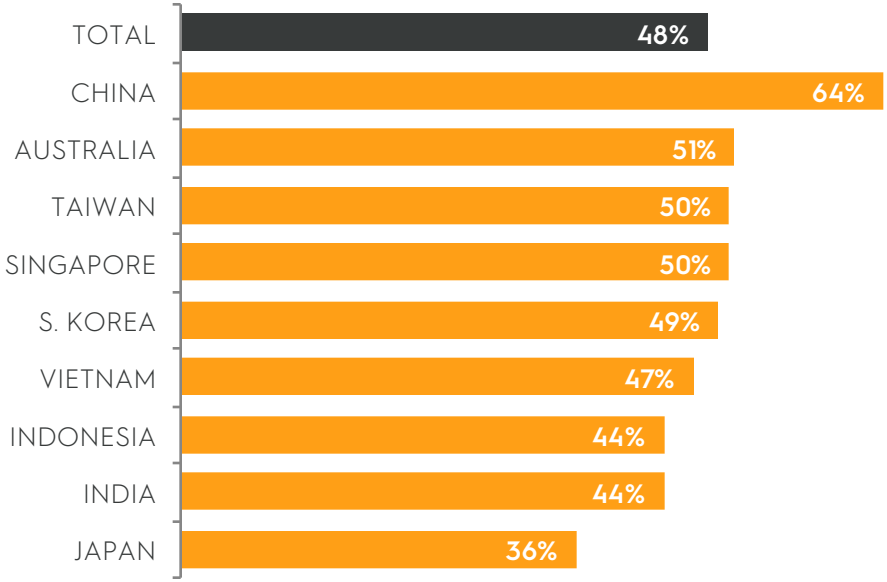
	Singapore	Taiwan	South Korea	Australia	Vietnam	Japan	Indonesia	China	India
#1	Malaysia	Japan	Japan	New Zealand	Thailand	U.S.	Singapore	Japan	Singapore
#2	Thailand	South Korea	China	U.S.	Singapore	Taiwan	Malaysia	Hong Kong	United Kingdom
#3	Hong Kong	China	Hong Kong	Indonesia	Japan	South Korea	Japan	South Korea	Malaysia
#4	Indonesia	Hong Kong	Thailand	Thailand	South Korea	Thailand	China	Thailand	Thailand
#5	Taiwan	Singapore	U.S.	Singapore	China	Hong Kong	Hong Kong	Macau	U.S.

dream

But, Lucy's friend Anna shares some photos of her recent trip to Paris.

Family and social circles are key influencers on travel decisions.

% of respondents who are influenced by word of mouth (from family and friends)



dream

search

book

visit

share

search

On her way home, Lucy checks out flights from Singapore to Paris.

Checking flights and hotels on the go.

Across all nine markets

43%

BROWSE ON-THE-GO

34%

BOOK ON-THE-GO

India has the highest percentage of browsing and booking on-the-go

62%

BROWSE ON-THE-GO

54%

BOOK ON-THE-GO

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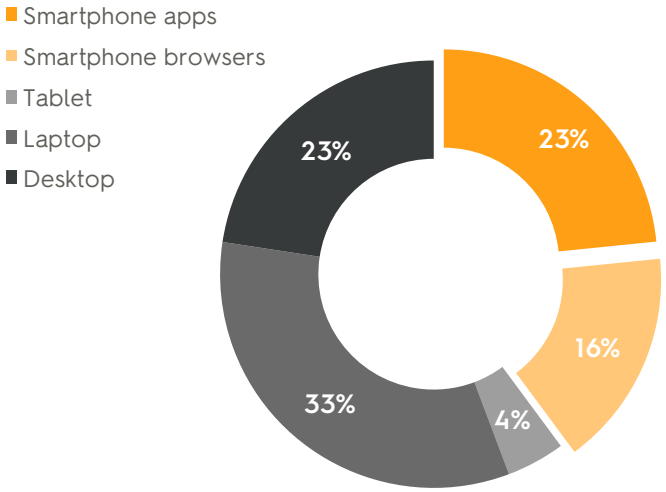
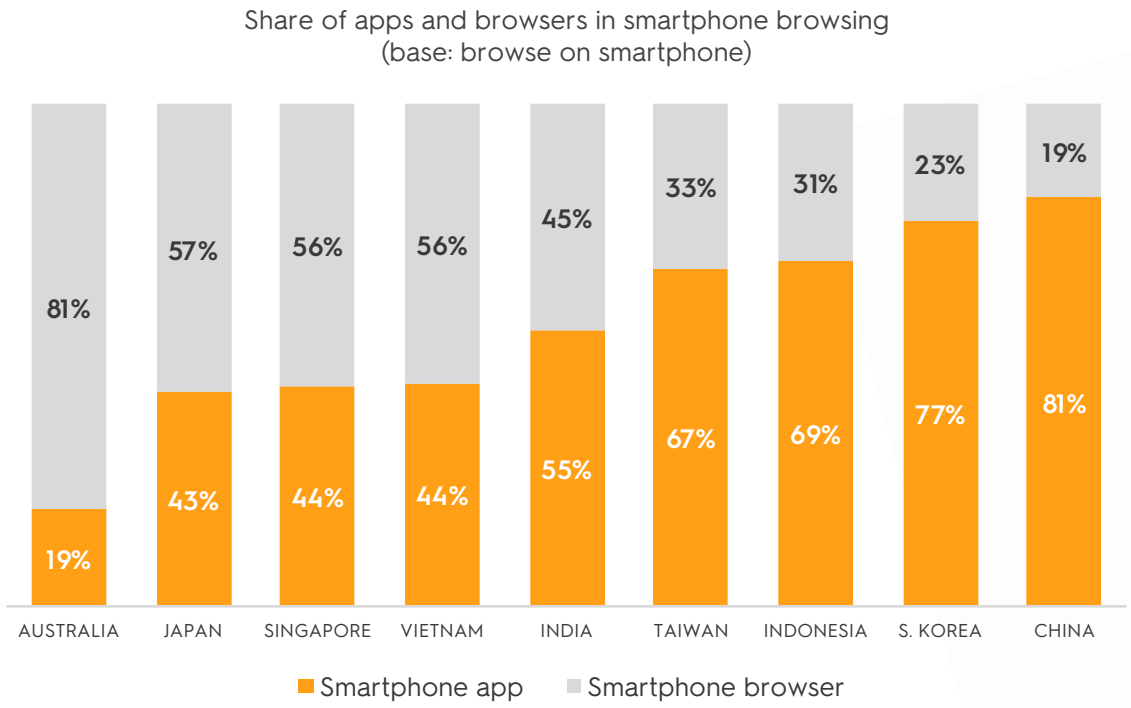
Nearly four out of ten travelers in the region use smartphones to search for travel options.



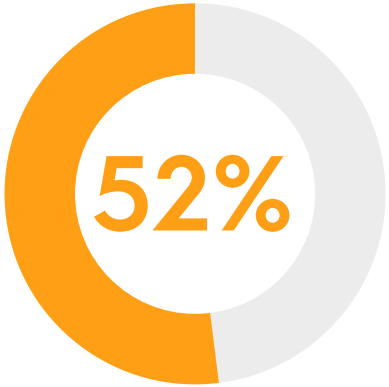
39%

of respondents most often use smartphones apps or browsers for browsing

Browser-first vs App-first countries.



But smartphones are just part of the story.

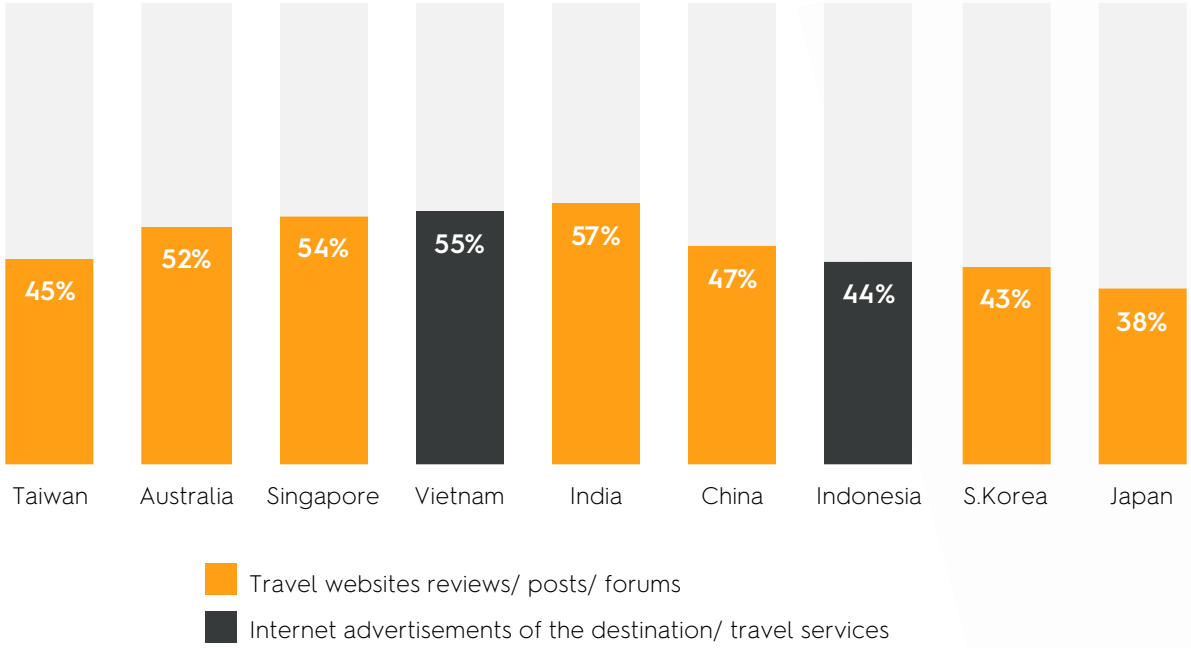


of respondents across the region say they use 2 or more devices for online browsing

Online reviews and internet ads are among top drivers for travel demand

The impact of Internet advertisements is greater in Vietnam and Indonesia, while travel websites reviews have more influence in Taiwan, Australia, Singapore, India, China, South Korea, and Japan

Social media is not yet a major driver for travel demand.



Online sources are used more often to search for travel information

99.6% of survey respondents searched for information by going to travel providers' own websites/ apps, online travel agencies (OTAs), or online travel price comparators.

31.9% of survey respondents searched for information by phone call/ personal visit to airline/ hotel sales office or travel agencies

dream

search

book

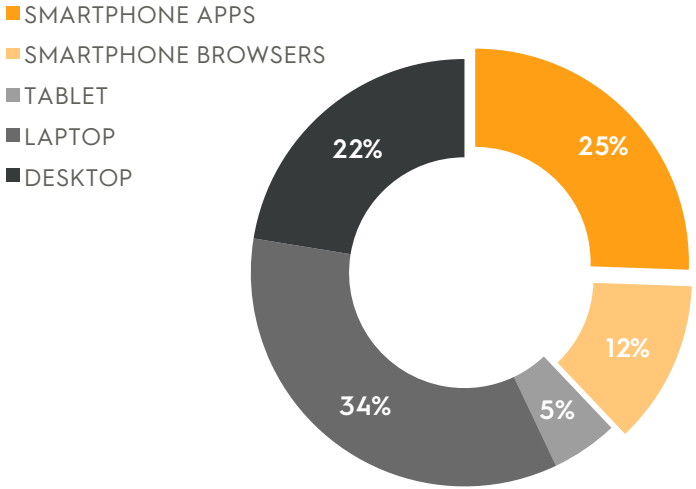
visit

share

book

After intensive searching and comparing, Lucy books her flight to Paris via an app.

Smartphone apps aren't just used for browsing; they're also used for booking.



37%

of respondents most often use smartphones apps or browsers for booking

Retargeted ads show high percentage of penetration

89%

of respondents have seen retargeted ads while browsing on website or app

66%

have clicked on at least one of such ads

Vietnam has the highest percentage of retargeted ad penetration

89%

have clicked on at least one retargeted ad

92% of respondents prefer making travel bookings online instead of offline

Respondents from China, Taiwan and Indonesia most often book via OTAs, and respondents from South Korea most often book via online travel price comparators.

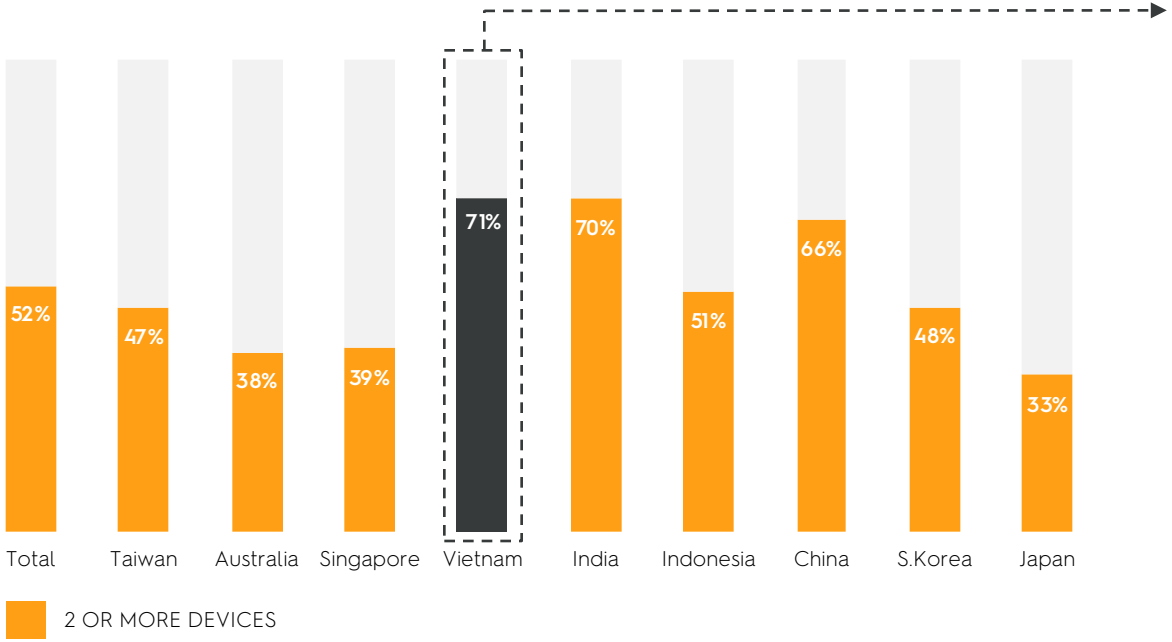
40%

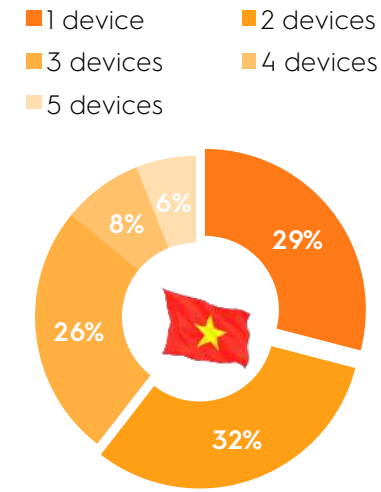
Most often book directly on travel service providers' websites/ apps

1. Provider websites typically have the best prices
2. I am used to booking travel this way
3. It's easier to change/ cancel my booking

52% of respondents usually use 2 or more devices for online booking

Respondents from China, Taiwan and Indonesia most often book via OTAs, and respondents from South Korea most often book via online travel price comparators.





Highest percentage of multiple device usage for booking in Vietnam

dream

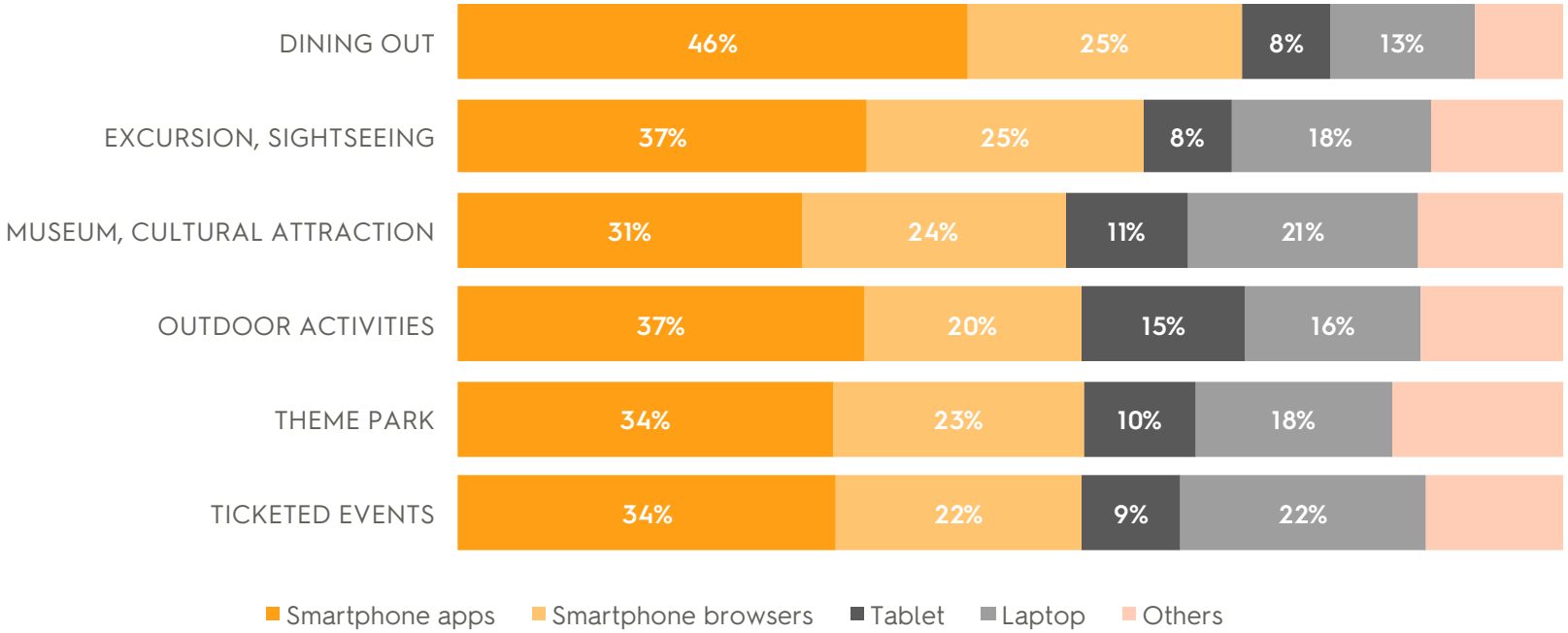
search

book

visit

share

Apps are also the go-to platform to book in-destination activities.



Lucy spends a fun-filled week in Paris.

dream

search

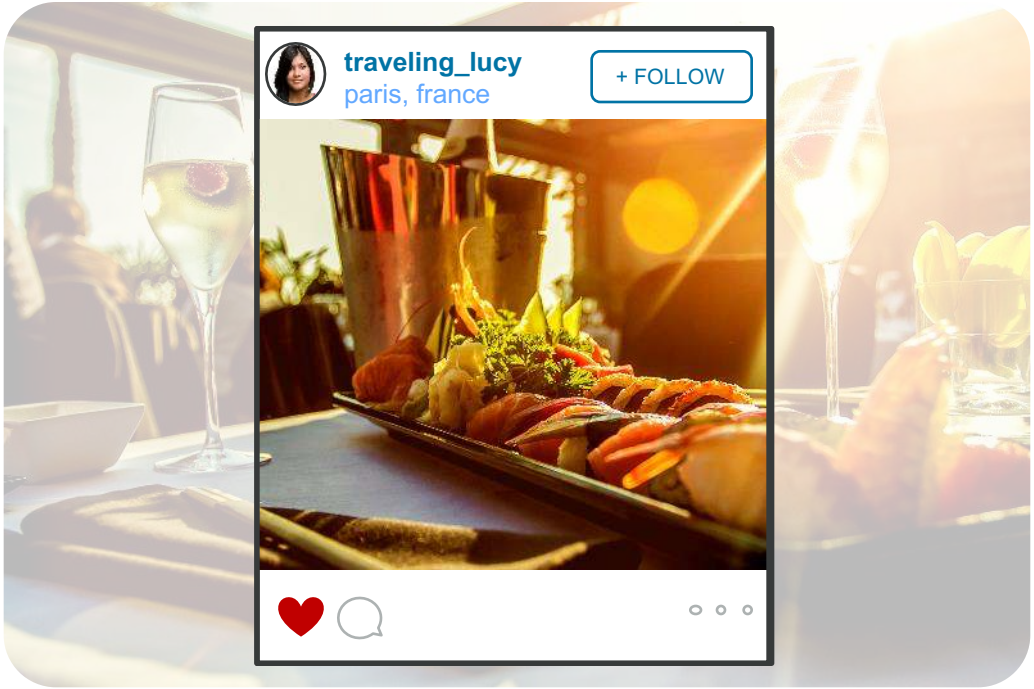
book

visit

share

criteo

Once in Paris, Lucy books a nice restaurant and shares it online.



“The world is a book, and those who do not travel read only one page.”
— SAINT AUGUSTINE

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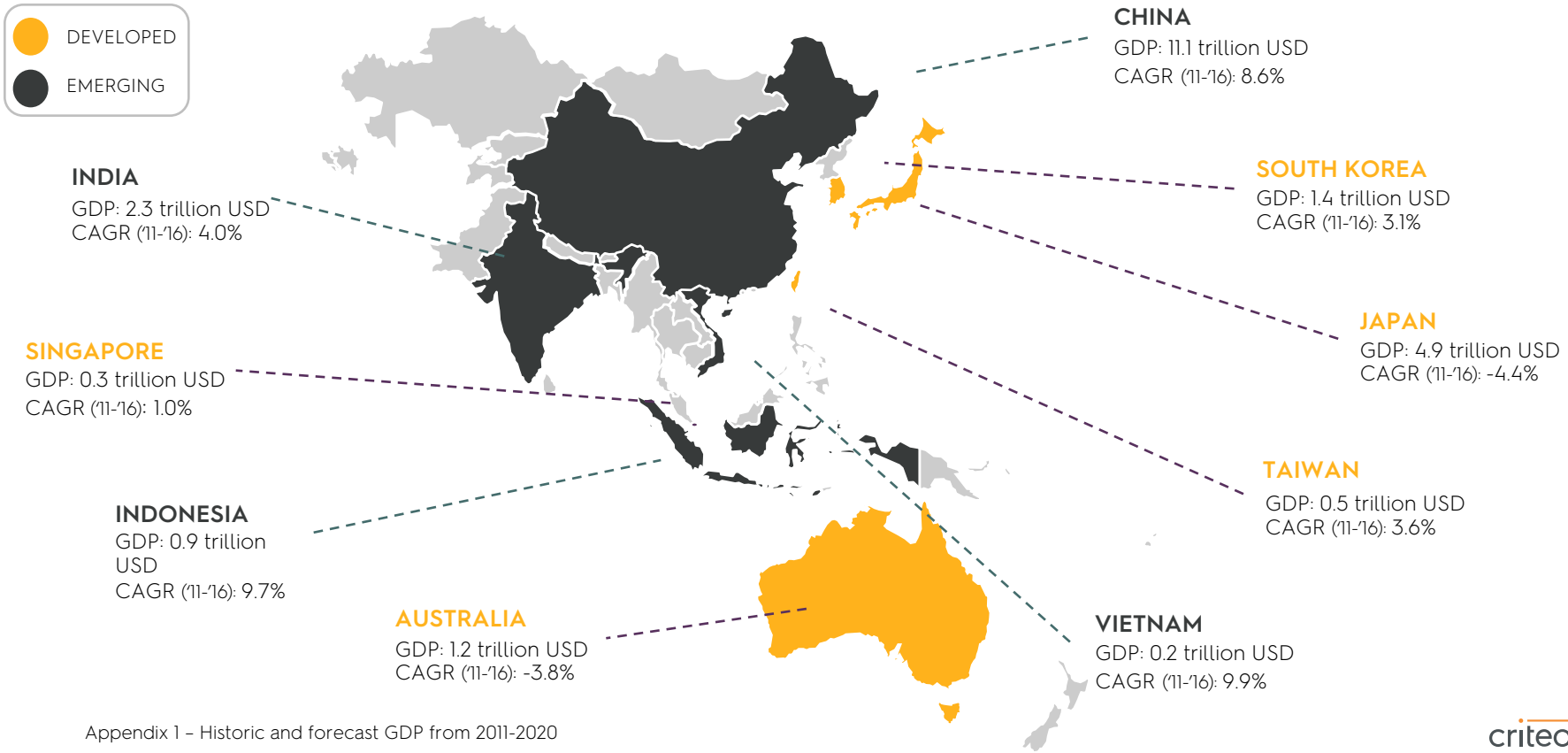
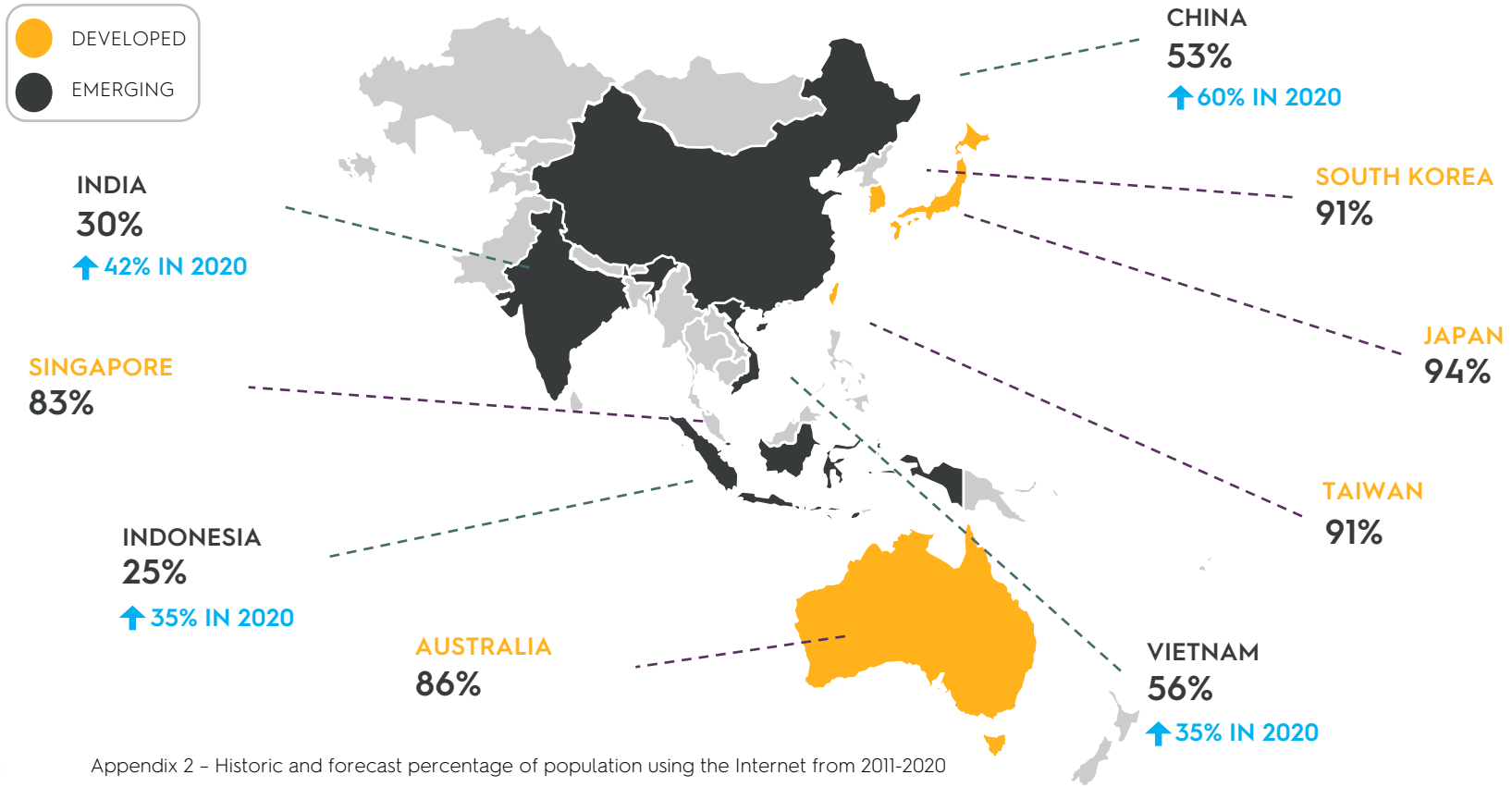
What should you prioritize to capture the biggest opportunities in Asia Pacific?

Vietnam has the highest economic growth among emerging markets



Percentage of population using the Internet 2016

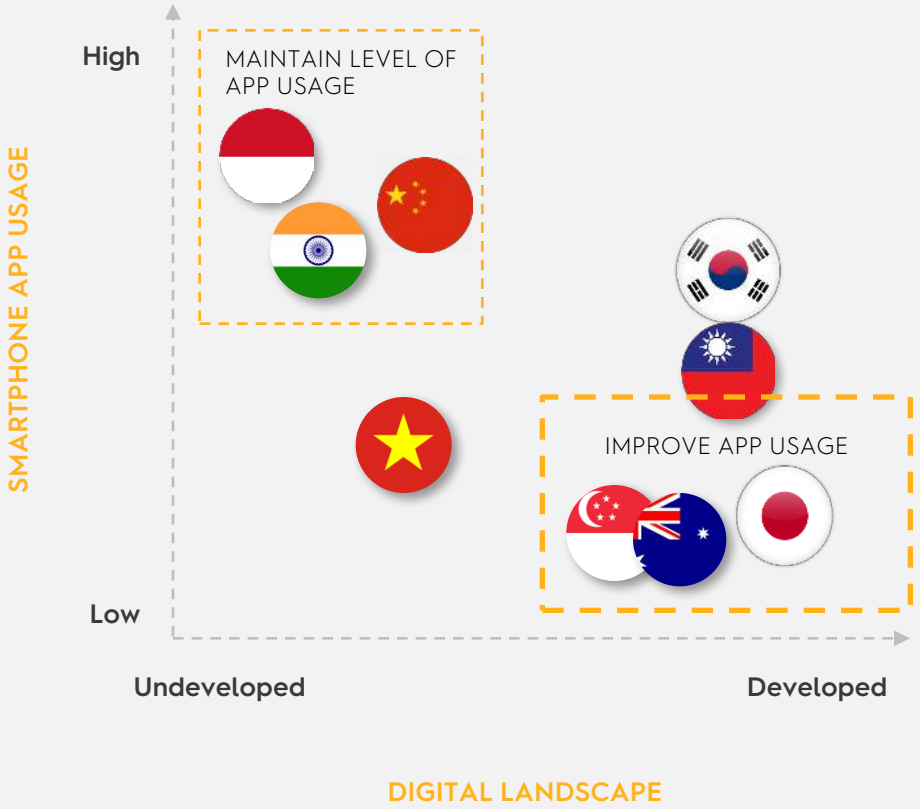
More people have access to Internet, especially in India



Appendix 2 – Historic and forecast percentage of population using the Internet from 2011-2020

Opportunities to improve app usage in developed markets

Singapore, Australia and Japan have the lowest app usage in Asia Pacific despite being among the most digitally developed, while it's the reverse for Indonesia, India, and China.



The online travel market in the Asia Pacific area in 2020:

US$ 446bn

Total market value in 2020

+72%

Growth 2016-2020

76%

of that growth will come from mobile sales

To capture opportunity in Asia Pacific.

OFFER A ONE-STOP TRAVEL APP

The more functions you app has (e.g., ability to book activities on-site), the more margin you'll generate from it. Easy and safe payment options will help ensure you don't lose your users at the "add-to-cart" stage.

ADDRESS USERS, NOT DEVICES

Make user experience seamless and consistent across devices and platforms.

THINK MILLENIALS (AND BEYOND)

Millenials lead the charge, but GenXers and Baby Boomers will follow suit. Explore marketing strategies that will allow you to cater to those new mobile travelers.

“A mind that is stretched by a new experience can never go back to its old dimensions.”
– OLIVER WENDELL HOLMES
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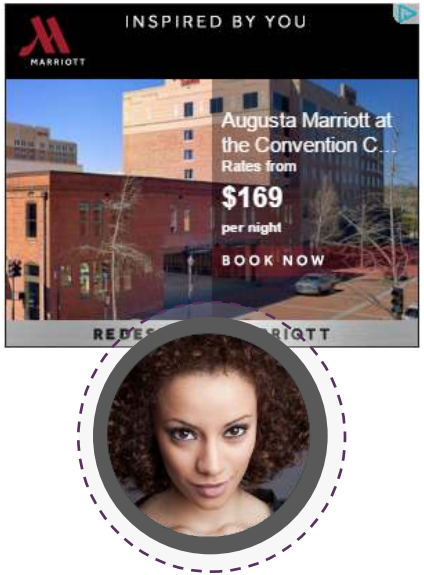
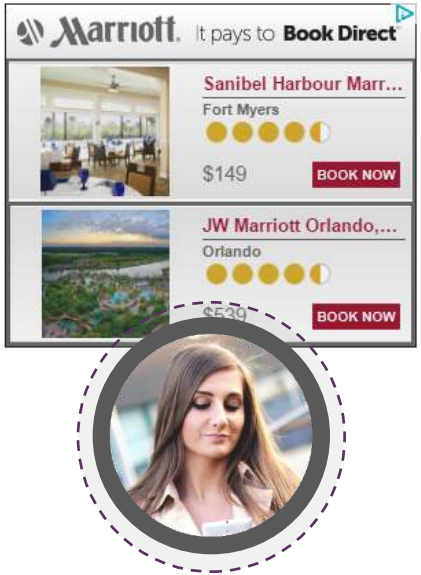
Criteo can help marketers win in fast-growing Asia Pacific markets.

We apply personalization and predictive bidding to every single impression.



Amy converts with simple visual design.



Lisa likes to scroll through products in the ad.

Mary engages with deals.

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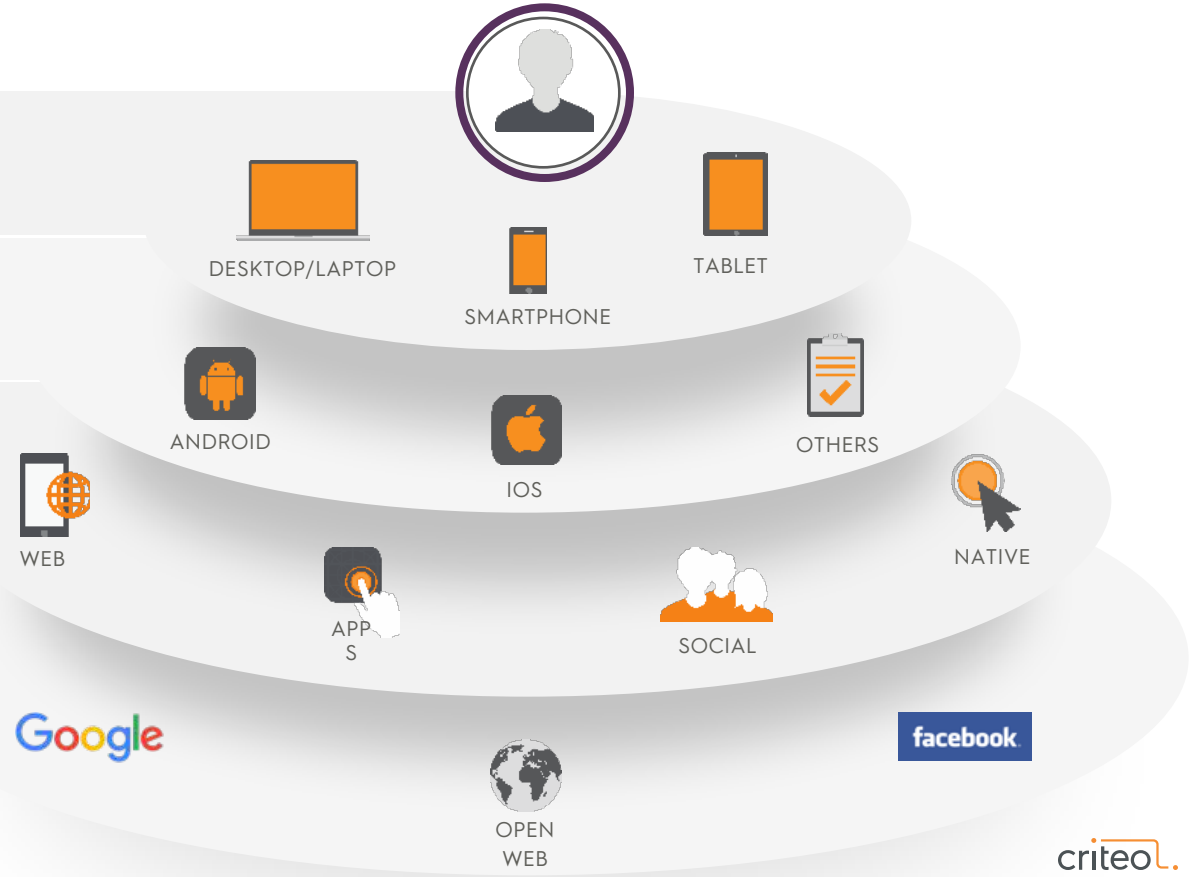
Seamless support of the consumer journey across.

DEVICES

PLATFORMS

MARKETING CHANNELS

PUBLISHER ECOSYSTEMS



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A trusted partner for leading online travel brands.

OTAS	priceline.com	Booking.com	Rakuten Travel	Hotels.com
METASEARCH	trivago	tripadvisor	skyscanner	HotelsCombined
AIRLINE	QATAR AIRWAYS	IBERIA	GOL	Lufthansa
ACCOMMODATION	Marriott HOTELS · RESORTS · SUITES	ACCOR	starwood Hotels and Resorts	NH HOTELS
CAR RENTAL	SIXT	CarRentals.com	auto europe	Europcar
TOUR OPERATORS	TUI	JTB	HIS	
CRUISE	Costa	CRUISE.COM	MSC CRUISES	DREAMLINES
RAIL	Voyages sncf.com	DB BAHN	thetrainline.com	.Italo

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“One’s destination is never a place, but always a new way of seeing things.”
–HENRY MILLER
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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 over 2,500 employees in more than 30 offices across the Americas, EMEA and Asia-Pacific, serving over 15,000 advertisers worldwide and with direct relationships with thousands of publishers.

For more information, please visit www.criteo.com.

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Appendix 1 – GDP from 2011-2020

USD million	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	11-16 CAGR	17-20 CAGR
Australia	1,503,995	1,561,367	1,502,854	1,443,684	1,227,722	1,241,405	1,324,259	1,382,831	1,450,189	1,518,744	-3.8%	4.7%
India	1,872,162	1,863,190	1,923,951	2,046,176	2,116,669	2,273,309	2,487,845	2,684,313	2,942,055	3,234,835	4.0%	9.1%
Indonesia	588,637	647,562	717,494	794,134	867,413	935,636	1,032,316	1,139,093	1,249,798	1,375,776	9.7%	10.0%
Singapore	275,187	289,274	300,288	306,356	292,733	289,340	298,250	306,385	318,861	330,958	1.0%	3.5%
Taiwan	442,748	454,340	471,163	498,421	518,441	529,043	542,515	561,560	583,698	604,543	3.6%	3.7%
Vietnam	126,428	147,600	163,010	179,092	190,689	202,957	217,472	232,783	253,936	276,734	9.9%	8.4%
China	7,364,056	8,132,623	8,958,530	9,691,919	10,316,978	11,125,175	12,141,763	13,154,065	14,208,433	15,383,579	8.6 %	8.2%
Japan	6,157,520	6,203,317	5,155,643	4,853,627	4,383,076	4,927,605	4,878,329	4,946,520	5,027,438	5,093,414	-4.4%	1.4%
S.Korea	1,202,382	1,222,166	1,305,758	1,411,328	1,378,046	1,398,804	1,500,930	1,571,908	1,640,666	1,713,864	3.1%	4.5 %

Source: Passport - Economies and Consumers 2017, Euromonitor International

Appendix 2 – Percentage of population using the Internet from 2011-2020

%	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Australia	79.5	79.0	83.5	84.0	84.6	85.8	86.7	87.4	88.2	88.9
India	10.1	12.6	15.1	21.0	26.0	29.7	33.3	36.8	39.6	42.0
Indonesia	12.3	14.5	14.9	17.1	22.0	25.1	28.1	30.7	32.9	34.9
Singapore	71.0	72.0	80.9	79.0	82.1	83.0	83.9	84.9	85.8	86.6
Taiwan	72.0	76.0	80.0	84.0	88.0	90.5	92.8	94.5	95.8	96.8
Vietnam	35.1	39.5	43.9	48.3	52.7	56.1	58.9	61.2	63.2	64.8
China	38.3	42.3	45.8	47.9	50.3	52.7	54.8	56.6	58.3	59.8
Japan	79.1	79.5	88.2	89.1	93.3	94.1	94.1	94.1	94.5	94.8
S.Korea	83.8	84.1	84.8	87.9	89.9	91.4	92.7	93.6	94.4	95.1

Source: Passport - Economies and Consumers 2017, Euromonitor International

Appendix 3 – Possession of smartphones and tablets from 2011-2020

% of households		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Australia	Smartphone	56.9	61.6	66.0	70.0	73.8	76.5	78.4	79.7	80.7	81.3
	Tablet	22.4	30.2	40.4	50.6	57.1	63.4	69.1	74.2	78.4	81.9
India	Smartphone	1.0	1.5	2.1	2.9	4.1	5.7	8.0	11.2	16.1	24.3
	Tablet	0.3	0.4	0.5	0.7	0.8	1.1	1.4	1.9	2.5	3.4
Indonesia	Smartphone	1.4	2.0	2.8	3.9	5.5	7.7	10.7	15.3	23.0	34.1
	Tablet	1.0	1.2	1.5	1.8	2.2	2.8	3.5	4.6	6.0	7.8
Singapore	Smartphone	61.3	67.1	71.7	75.0	77.4	79.0	80.1	80.9	81.5	81.9
	Tablet	21.3	26.7	34.0	41.1	48.4	55.0	61.4	67.4	72.8	77.5
Taiwan	Smartphone	62.8	68.3	72.6	75.7	77.8	79.3	80.4	81.1	81.6	82.0
	Tablet	7.6	9.4	12.5	16.7	22.4	29.5	33.4	37.8	40.3	42.7
Vietnam	Smartphone	5.7	8.0	11.2	16.0	24.0	35.3	45.1	52.8	59.4	65.4
	Tablet	0.6	0.8	1.0	1.2	1.6	2.0	2.7	3.5	4.7	6.3

Source: Passport - Economies and Consumers 2017, Euromonitor International

Appendix 3 – Possession of smartphones and tablets from 2011-2020 (cont.)

% of households		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
China	Smartphone	11.4	16.4	24.7	35.9	45.6	53.2	59.8	65.7	70.6	74.3
	Tablet	3.5	4.3	5.6	7.2	9.2	11.8	14.7	18.0	20.7	23.6
Japan	Smartphone	46.5	51.3	56.0	60.6	66.5	71.2	74.7	77.1	78.8	80.0
	Tablet	11.3	16.1	20.9	28.3	33.0	38.1	43.5	49.0	54.5	59.9
South Korea	Smartphone	60.2	66.1	70.9	74.5	77.0	78.7	80.0	80.8	81.4	81.9
	Tablet	4.9	6.1	7.9	10.5	14.0	18.6	23.4	28.7	32.9	37.4

Source: Passport - Economies and Consumers 2017, Euromonitor International

Appendix 4 – Online and mobile travel sales to residents from 2011-2020

USD million		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	11-16 CAGR	17-20 CAGR
Australia	Online travel sales to residents	21,766	26,002	27,003	27,856	25,114	25,426	27,375	29,209	30,911	32,799	3.2%	6.2%
	Mobile travel sales to residents	1,094	2,328	3,772	5,873	7,197	8,945	10,329	11,741	13,231	14,865	52.2%	12.9%
India	Online travel sales to residents	8,103	9,697	11,735	14,388	17,139	20,040	23,365	27,121	31,276	35,958	19.9%	15.5%
	Mobile travel sales to residents	267	290	340	447	574	798	1,191	1,850	3,018	5,083	24.5%	62.2%
Indonesia	Online travel sales to residents	1,480	2,197	2,886	3,714	4,523	5,185	5,877	6,631	7,464	8,380	28.5%	12.6%
	Mobile travel sales to residents	-	-	10	73	261	425	582	788	1,008	1,262	-	29.4%
Singapore	Online travel sales to residents	3,329	3,585	3,842	4,078	4,018	4,182	4,530	4,897	5,297	5,753	4.7%	8.3%
	Mobile travel sales to residents	236	338	475	623	768	932	1,186	1,454	1,805	2,037	31.6%	19.8%
Taiwan	Online travel sales to residents	3,021	3,382	4,107	5,072	5,967	6,581	7,459	8,225	8,896	9,527	16.9%	8.5%
	Mobile travel sales to residents	153	227	406	569	826	1,089	1,406	1,716	2,031	2,299	48.0%	17.8%
Vietnam	Online travel sales to residents	573	661	836	971	1,082	1,231	1,415	1,618	1,838	2,105	16.5%	14.2%
	Mobile travel sales to residents	-	-	23	44	66	90	120	148	181	221	-	22.4%

Source: Passport - Economies and Consumers 2017, Euromonitor International

Appendix 4 – Online and mobile travel sales to residents from 2011-2020 (cont.)

USD million		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	11-16 CAGR	17-20 CAGR
China	Online travel sales to residents	18,364	33,462	48,737	72,239	106,249	138,804	172,377	204,029	237,323	268,217	49.9%	15.9%
	Mobile travel sales to residents	-	4,352	15,326	34,179	56,938	86,949	116,506	141,926	170,114	199,133	-	19.6%
Japan	Online travel sales to residents	37,235	43,083	39,229	40,337	40,016	44,770	49,285	53,646	57,837	61,553	3.8%	7.7%
	Mobile travel sales to residents	5,893	8,080	8,620	10,123	11,411	14,129	16,883	19,768	22,643	25,255	19.1%	14.4%
South Korea	Online travel sales to residents	6,897	8,051	9,418	10,973	11,826	13,009	15,065	17,101	19,220	21,601	13.5%	12.8%
	Mobile travel sales to residents	455	680	1,105	2,118	3,535	4,585	5,859	7,233	8,846	10,681	58.7%	22.2%

Source: Passport - Economies and Consumers 2017, Euromonitor International

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