WHITEPAPER

The Latest Trends in Europe’s Travel Space

Author: Liron Hakim Bobrov, December 2019

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Contents

Methodology

To gain an exhaustive and unified view of the state of travel in Europe, we analyzed internet traffic data coming from the United Kingdom, France and Germany (3 of the continent's biggest countries), while focusing on sites within the hotels, flights and packages Lines of Business.

The report covers the period of January 1, 2018 through September 31, 2019 (with a Year-To-Date comparison), and consists of Desktop and Mobile Web traffic.

Introduction

Travel sites in Europe are undergoing shifts in traffic and user engagement metrics

The European travel space is a lucrative business for sites offering accommodations, flights and vacation packages. People in Europe have an average per capita purchasing power of close to €15K and tend to travel more than any other region in the world. But as this report will show, traffic and user acquisition statistics for top travel sites tend to differ when looked at in terms of country, device, category or sector.

For this analysis, we decided to focus on 3 of the continent's biggest countries – UK, Germany and France – which collectively make up close to 50% of the population, and all have consumers with relativity high net disposable incomes. We analyzed the main categories and lines of business in the travel space and identified an array of insights that shed light on the opportunities and challenges faced by travel sites operating throughout the European continent.

Key Takeaways

We noticed several major trends across the European travel space.

- **Geography:** The UK has the most travel traffic in the set, but is also the only country to see declines on both desktop and mobile devices
- **Champion:** Within the Travel and Tourism category, vacation rentals is the only sub-category to gain traffic in Europe
- **Line of Business:** Hotels saw an increase in both volume and conversion rates, while flights seem to be losing ground
- **Marketing:** Travel sites are heavily reliant on brand awareness to maintain their market share, but are also investing in paid acquisition channels (i.e., Paid Search and Display Ads)
- **Experiences:** European audiences are opting for experiences, which may help explain the decline in flights' traffic (as the focus may be on local experiences)
- **Google**, a rising force in the travel industry saw traffic to hotels increase by 28.1%, beating out flights as its main LOB for the summer of 2019

Industry Traffic Patterns

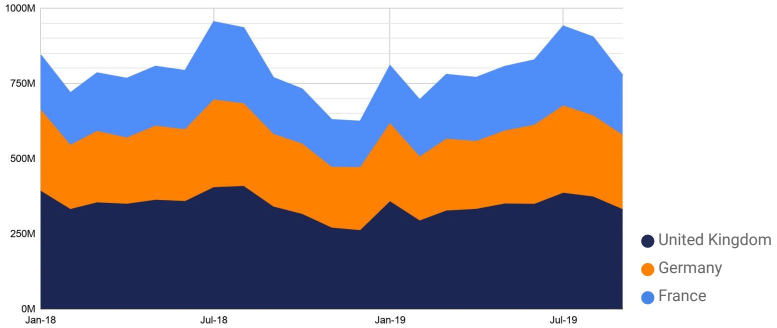
A review of the top 100 travel sites in the United Kingdom, France and Germany reveals an average monthly traffic of 782 million visits. Traffic is split among these countries such that 42% is from the UK, 31% from Germany and 27% from France.

As expected, travel sites are highly affected by seasonality, seeing an 18% increase in traffic during the July to August peak season, compared to the off-season (January - June) average. While there were no significant shifts in total traffic, we do see changes in how visitors are arriving to sites: Desktop traffic decreased by almost 7% year-to-date (YTD), whereas Mobile Web saw a 3.5% increase in traffic.

We don't see any notable changes in overall monthly traffic, however, we do see changes per country: the UK had a 6.1% decrease in traffic, while Germany was stable, and France increased by 6.6%. Traffic gains for both France and Germany stemmed only from Mobile Web, whereas Desktop traffic declined in all measured countries.

Traffic to Top Travel Sites

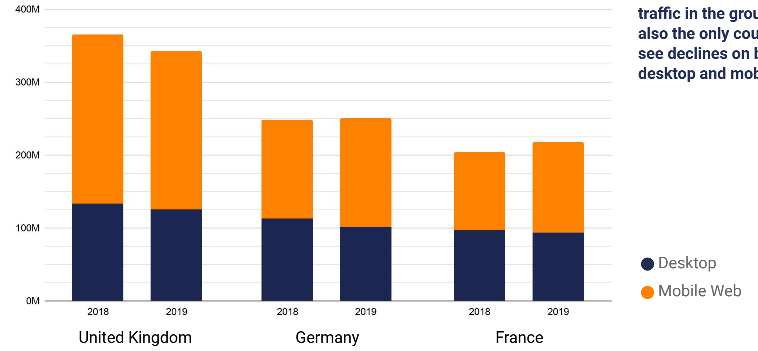
UK, France & Germany, Desktop & Mobile Web, Jan 2018 - Sep 2019



Seasonal traffic increases by up to 20% overall.

Year-to-Date Traffic by Country & Platform

UK, France & Germany, Desktop vs Mobile Web, Jan - Sep 2018 vs 2019



The UK has the most travel traffic in the group, but it's also the only country to see declines on both desktop and mobile.

Category Breakdown

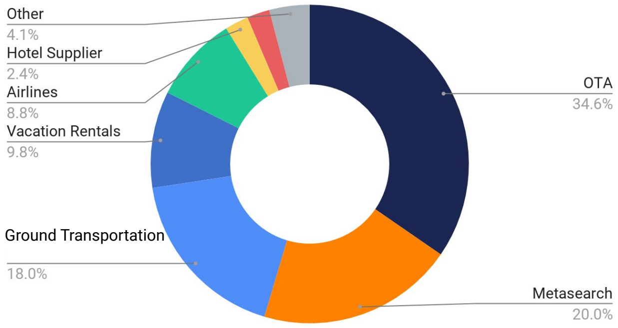
Traditionally, the Travel and Tourism category splits up into various subcategories. In our sample of the European market, we mapped out more than a dozen sub-categories (including content, experiences, car rentals and others), and aggregated those into six categories: Hotel Suppliers, Airlines, Vacation Rentals, Ground Transportation, Online Travel Agency (OTA) and Metasearch.

As expected, most of the traffic is arriving through OTAs and metasearch engines that are together receiving slightly over 50% of the category's traffic. The third largest group of sites is ground transportation providers - such as car rentals and trains - which are responsible for 18% of traffic. YoY traffic by category reveals that OTAs increased by 2.8%, whereas metasearch engine traffic decreased dramatically, as did traffic to ground transportation and airline sites. Vacation rental sites saw the most dramatic increase, notching up a 11.9% gain.

Growth in OTAs was mostly fueled by French audiences who increased visits by 12% during the time frame. Vacation rentals saw increases across all 3 countries.

Travel Sites Categorization

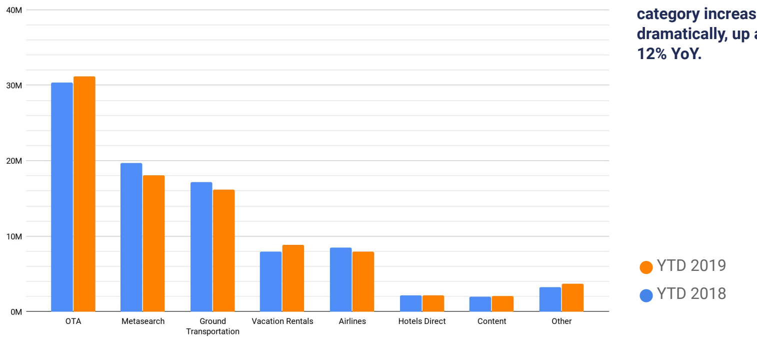
UK, France & Germany, Desktop vs Mobile Web, Jan 2018 - Sep 2019



OTAs and metasearch engines make up just over 50% of the total travel traffic.

Average Monthly Traffic, YTD

UK, France & Germany, Desktop vs Mobile Web, Jan 2018 - Sep 2019



The vacation rentals category increased most dramatically, up almost 12% YoY.

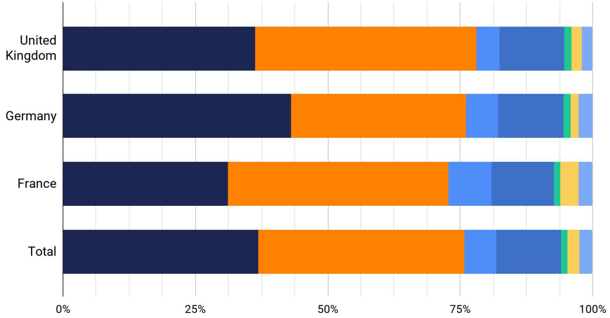
User Acquisition Strategies

Looking overall at user acquisition strategies, we can identify some similar patterns across countries, with most traffic arriving through Organic Search (38.9% overall), and Direct (36.9% overall). Paid Search consistently makes up about 12% of site traffic, and Referrals range between 4.5% (UK) and 8.2% (France). Of note, visitors from France are far less likely than others to arrive at a site directly, and instead rely mostly on search, referrals and email.

Looking at sources per category over time, we find that sites are increasingly reliant on brand awareness - as seen in the consistent rise in Direct traffic for all types of sites. That said, Display Ads and Paid Search are also seeing an increase in traffic, indicating that sites are also focused on attracting new potential customers. The proportion of Referrals and Social Media is stable, while Organic Search is generally declining, for some sites more than others.

Traffic Sources

UK, France & Germany, Desktop, Jan - Sep 2019

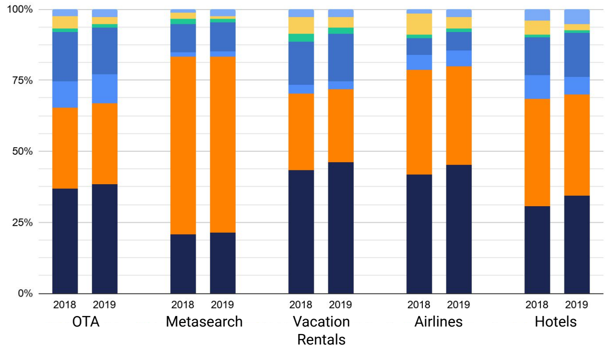


The French market is much more open to influence, as a growing share of its traffic arrives from search and referrals.

- Direct
- Organic Search
- Referrals
- Paid Search
- Social
- Email
- Display Ads

Average Monthly Traffic, YTD

UK, France & Germany, Desktop vs Mobile Web, Jan 2018 - Sep 2019



Sites see an influx of direct traffic, thus reducing the reliance on sources like organic search and referrals.

- Direct
- Organic Search
- Referrals
- Paid Search
- Social
- Email
- Display Ads

Line of Business Analysis

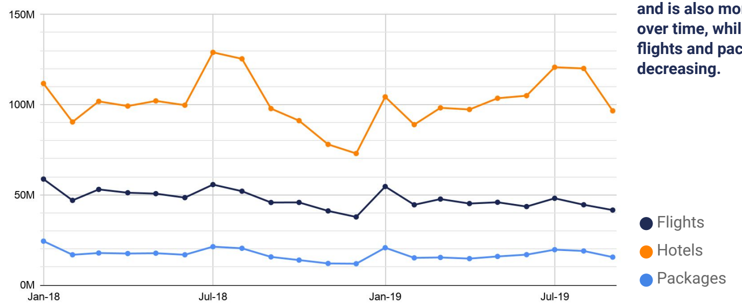
Until now, our analysis has focused on traffic patterns related to whole sites. However, knowing that many sites, particularly metasearch and OTAs, offer multiple lines of business, we took a look deeper into each site, to understand how traffic shifts in consumer consideration of flights, hotels and packages.

Looking at traffic across these three core lines of business, we can see a clear downwards trend in flights traffic - which lost 10.1% in year-to-date (YTD) traffic. On the other hand, hotels and accommodations traffic remained relatively stable, only losing 2.5% of traffic, while travel packages booking, the smallest offering, lost 9.3% of traffic.

A further review of line of business traffic by site type reveals that hotels saw decreases on metasearch and vacation rental sites, while flight booking traffic decreased across all measured platforms, excluding Google. In fact, Google is the only travel entity to show growth across both lines of business.

Line of Business Traffic

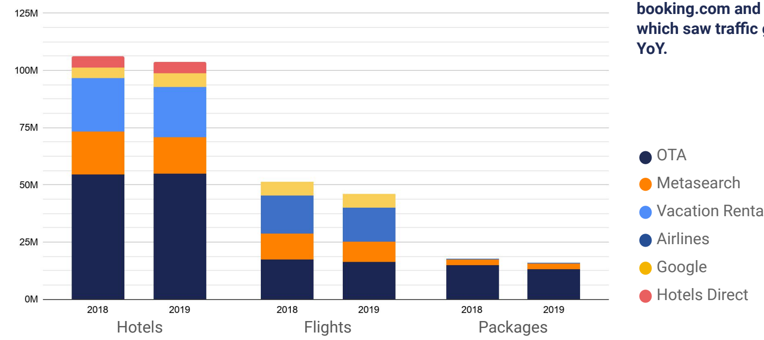
UK, France & Germany, Desktop, Jan 2018 - Sep 2019



Traffic to hotels is much more prone to seasonality and is also more stable over time, while traffic to flights and packages is decreasing.

Line of Business Traffic by Site Type

UK, France & Germany, Desktop, Jan - Sep 2018 vs 2019



Most LOB sites saw traffic falling, expect for booking.com and Google which saw traffic gaining YoY.

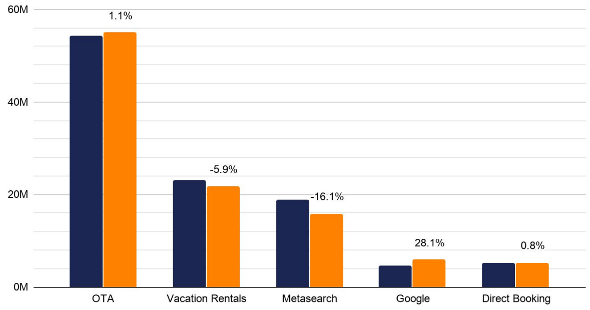
State of Hotels - Traffic

Bearing in mind that traffic to accommodations sites has slightly decreased in 2019, we looked further into the types of sites making up the category, to understand where traffic loss stemmed from. The biggest loss in traffic came from metasearch engines (-16.1%) and, surprisingly, vacation rental sites (-5.9%). On the other hand, OTAs' traffic rose by 1.1%, and Google was up by 28%. The smallest sector, direct bookings on hotel supplier sites, was up by less than 1%.

Another way to break down hotel traffic is by looking at country-level data. In this way, we see that traffic losses in vacation rentals and metasearch engines, as well as traffic gains for Google, were fully consistent across the measured countries. Conversely, OTAs saw growth in France and decreases in Germany and the UK, while direct bookings saw traffic decrease in the UK, yet increase in France and Germany.

Accommodations Traffic Change

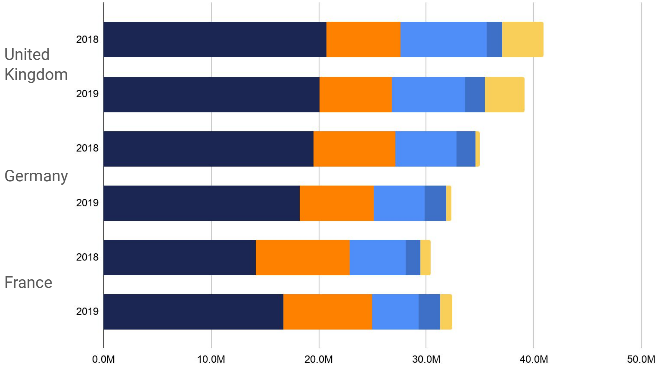
Desktop, UK, Germany & France, Jan - Sep 2018 vs 2019



Among all accommodation booking sites, only Google displays significant growth.

Hotels Traffic by Country

Mobile Web, Aug - Dec 2018



While hotels traffic decreases in both the UK and Germany, French audiences are actually looking at hotel bookings more often, specifically increasing on OTAs and Google.

State of Hotels - Conversions

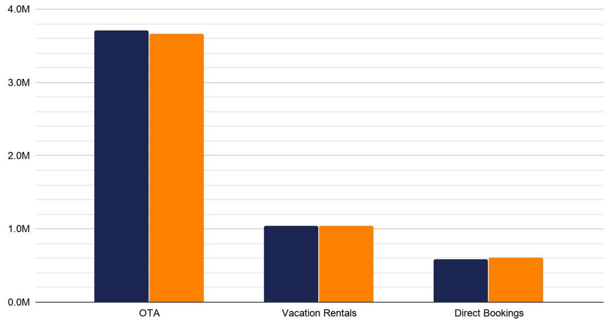
While traffic may indicate on performance, we looked at conversion figures to get a better estimate of how hotel sites are actually performing.

Even as traffic was down across the hotels space, we found that conversion volumes were the same in 2019 as they were in 2018. This silver lining to decreased traffic simply means that audiences are more streamlined, i.e., they are not shopping around and exploring their options, but rather opting to make a quick purchase. Alternatively, the steady YoY conversion volumes could indicate a possible stagnation in the market.

We also looked at traffic volumes compared to actual conversions by channel. We found that with an 8.3% conversion rate, Direct traffic performs best in overall conversions, highlighting the need to build and maintain strong brand awareness. Conversely, the metasearch model appears to be slowing, as referrals traffic had only a 3.8% conversion rate - they were responsible for 13% of traffic but accounted for just 7% of actual conversions.

Monthly Conversion Volumes by Category

UK, Germany & France, Desktop, Jan - Sep 2018 vs 2019

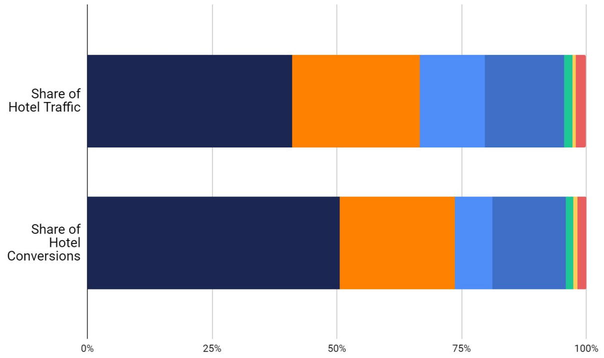


2018 YTD
2019 YTD

Increased traffic into OTAs didn't lead to increased conversions, as conversion volumes plateaued for all accommodations sites.

Hotel Traffic vs Conversions by Source

UK, Germany & France, Desktop, Jan - Sep 2019



Direct
Organic Search
Referrals
Paid Search
Social
Email
Display Ads

Direct traffic is the best performing channel, while referrals see a low share of total conversions compared to their share of traffic.

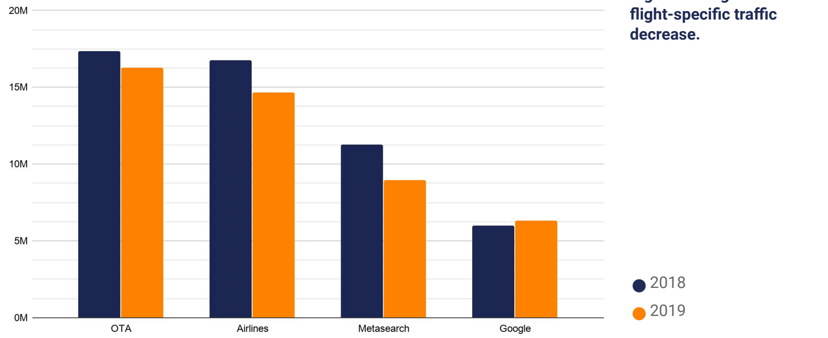
State of Flights - Traffic

Traffic related to flights is down dramatically, losing 10.1% on average and bottoming during the summer peak (-14%). All but one site (Google) saw decreases in YTD traffic, with the most dramatic loss occurring in metasearch engines, which were down 20.8%. Meanwhile Google, the biggest potential competitor in the metasearch space, saw traffic increase by 4.9%.

A review of the flights LOB by country shows that it is also decreasing across all measured countries, but unlike hotels - the greatest decrease is actually in France (-15% YTD), while the UK is slowing down the least (-7% YTD). A category-specific analysis reveals that British visitors are far more likely to review and book flights on OTAs, while French and Germany visitors opt for metasearch engines instead.

Average Monthly Flights Traffic

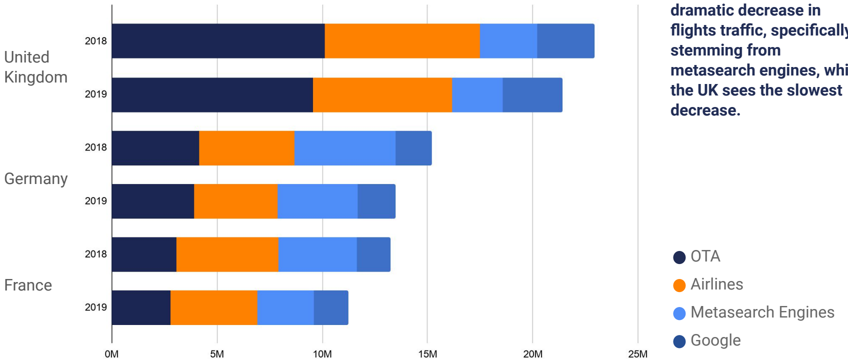
Desktop, UK, Germany & France, Jan - Sept 2018 vs 2019



Almost all sites dealing in flight bookings see flight-specific traffic decrease.

Flights Traffic by Country

Desktop, Jan - Sept 2018 vs 2019



France sees the most dramatic decrease in flights traffic, specifically stemming from metasearch engines, while the UK sees the slowest decrease.

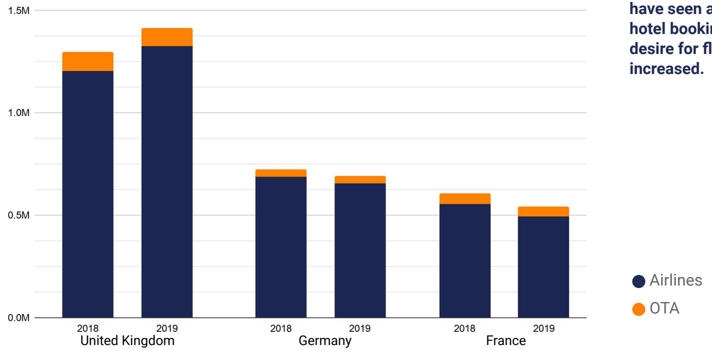
State of Flights - Conversions

British visitors are becoming less likely to review and book hotels, but they are actually increasing their overall conversions on flights (+9.0%). Visitors from France and Germany, on the other hand, are making less flight purchases. The increase in flights' conversion rate among British visitors is solely due to an increase in bookings on airline sites (+10.1%), while bookings on OTAs are decreasing.

Looking at the effectiveness of each traffic source, we again find that Direct is significantly outperforming the rest, as it is responsible for 41.5% of traffic, and 49.1% of conversions. Email is the only source with a better conversion rate (22.9% compared to Direct's 17.1%), but this is likely due to effective cart-abandonment email campaigns. The channel with the poorest conversions in this space is Paid Search with an average conversion rate of 7.2%.

Monthly Conversions by Category

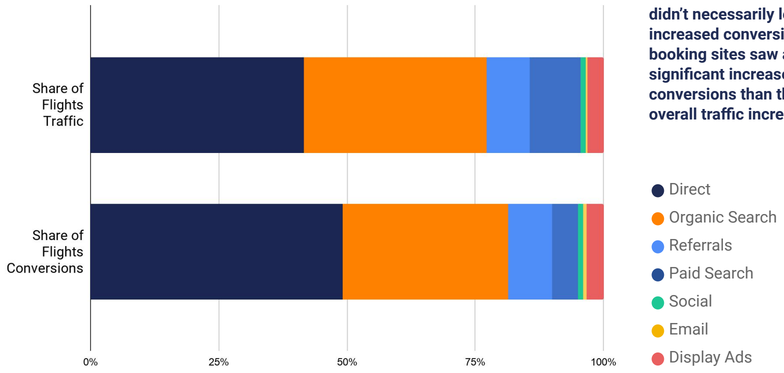
UK, Germany & France, Desktop, Jan - Sep 2018 vs 2019



British audiences may have seen a decrease in hotel bookings, but their desire for flights has only increased.

Flights Traffic vs Conversions by Source

UK, Germany & France, Desktop, Jan - Sep 2018 vs 2019



Increased traffic into OTAs didn't necessarily lead to increased conversions, yet booking sites saw a more significant increase in conversions than their overall traffic increase.

What's Going On With Google?

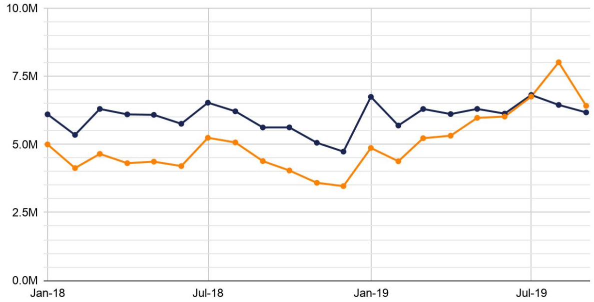
Globally, Google seems to be focused on taking market share away from the travel industry's major OTAs - especially Expedia Group and Booking.com. Having noticed Google's improvement in LOB traffic across flights and accommodations, we took a closer look at how the search giant is doing in the European travel space. More importantly, we tried to understand if its entry into the market is proving successful, and how.

Google is most-obviously investing in hotels, so much so that it has seen its **hotels traffic increase by 28.1%, beating out flights as its main LOB** for the summer of 2019. This makes sense, since over the last year, hotels had a more steady traffic growth rate than flights.

France is the most prominent contributor to growth in Google's hotels line of business, responsible for 44% of the site's hotels growth. While this makes sense given that we've seen the country's growth in hotels traffic, it is also surprising due to the fact that is the smallest market in the travel space.

Google Travel Traffic by Line of Business

UK France & Germany, Desktop & Mobile Web, Jan 2018 - Sep 2019

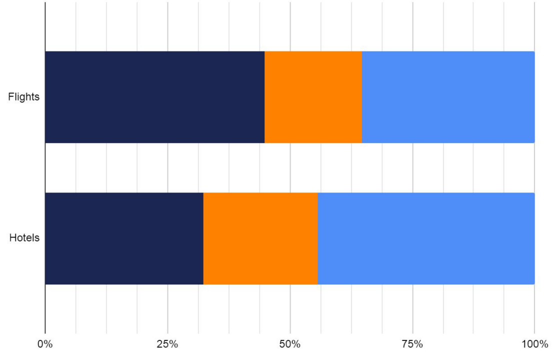


Google's focus on hotels is apparent, as its hotels LOB sees a 28% increase.

- Flights Traffic
- Hotels Traffic

Google Line of Business Growth by Country

Desktop & Mobile Web, Jan - Sep 2018 vs. 2019



Google's growth in Hotels is mostly due to France, while Flights growth is fueled by the United Kingdom.

- United Kingdom
- Germany
- France

Europeans Opt for Experiences

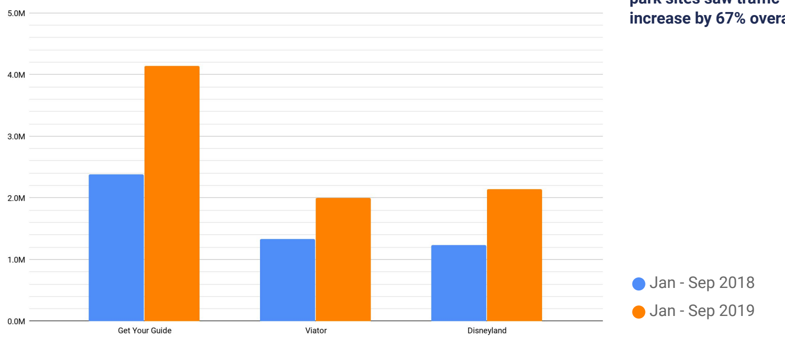
As technology advances and consumers' preferences change, the travel industry is continually innovating to deliver experiences that are personalized to individual needs. This trend is very evident in Europe as well. In fact, it was the most rapidly-growing sub-category in our analysis.

Experience-based booking engines, such as **GetYourGuide** and Tripadvisor's **Viator** saw annual traffic increase by 74% and 50%, respectively. GetYourGuide alone saw an increase of almost 2M visits over the time frame. Similarly, sites belonging to Disneyland Park, a top experience location in Europe, saw traffic increase by 74% YoY.

In this case, the increase in traffic was significant across all measured countries, but was more significant in the UK, which saw a 76% increase in traffic. The group's leader, GetYourGuide, saw traffic from the UK increase by 358% YoY, while traffic from France and Germany grew by close to 50% each.

Traffic to Experiences Websites

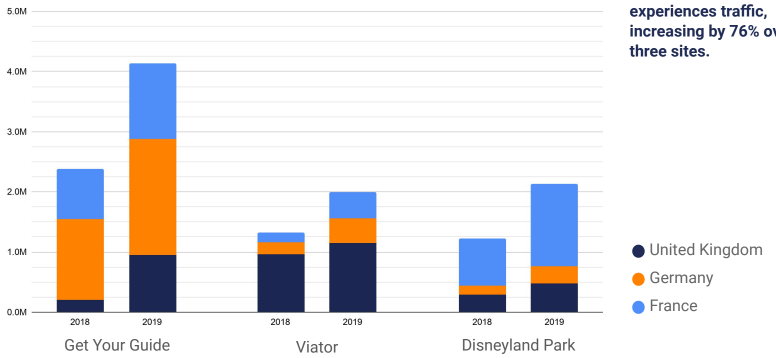
UK France & Germany, Desktop & Mobile Web, Jan - Sep 2018 vs 2019



Experiences and theme park sites saw traffic increase by 67% overall.

Experience Sites Traffic by Country

UK France & Germany, Desktop & Mobile Web, Jan - Sep 2018 vs 2019



British audiences had the largest influx of experiences traffic, increasing by 76% over the three sites.

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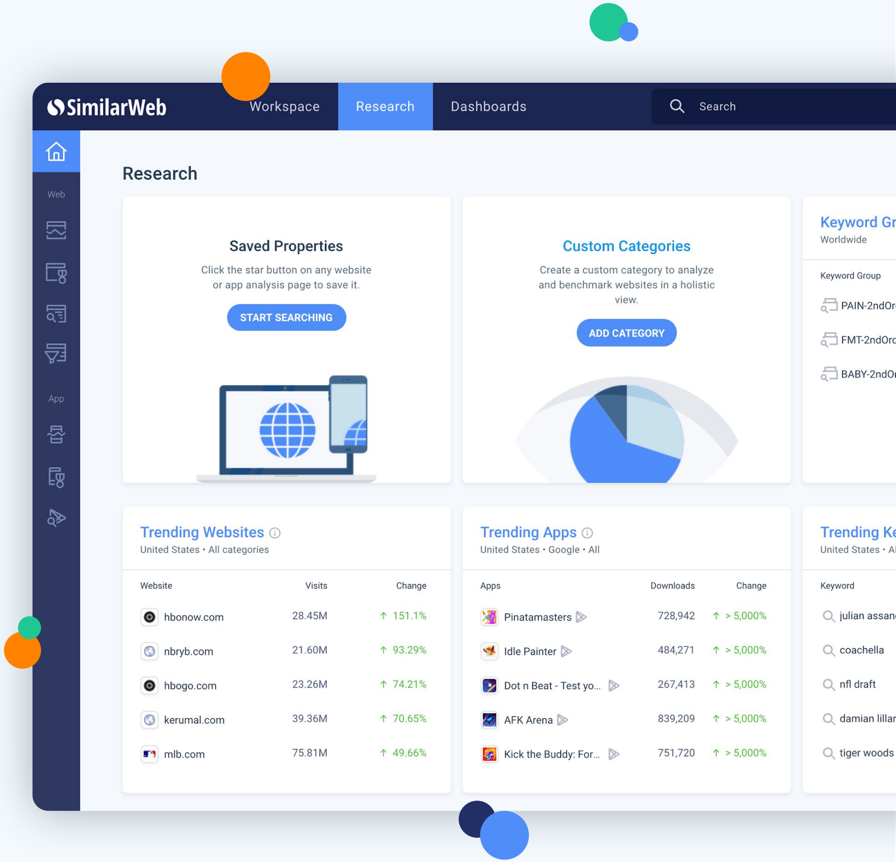

SimilarWeb

Appendix - Site List

Site	Category
ab-in-den-urlaub.de	OTA
accorhotels.com	Accommodations/Supplier
agoda.com	OTA
aida.de	Cruises
airbnb	Accommodations/Vacation Rentals
airfrance	Airline
ba.com	Airline
bahn.de	Ground Transportation
bergfex	Other
blablacar.de	Ground Transportation
booking.com	OTA
britishairways.com	Airline
bustimes.org	Ground Transportation
centerparcs	Accommodations
cheapflights.co.uk	Metasearch
deutschebahn.com	Ground Transportation
disneylandparis.com	Other
easyjet.com	Airline
easyvoyage	Metasearch
edreams.fr	OTA
emirates.com	Airline
eurostar.com	Ground Transportation
eurowings.com	Airline
expedia	OTA
firstgroup.com	Ground Transportation
flixbus	Ground Transportation
fluege.de	Metasearch
getyourguide	Experiences
gites.fr	Accommodations/Vacation Rentals
govoyages.com	OTA
hamburg.de	Other
hilton.com	Accommodations/Supplier
holidaycheck.de	OTA

Site	Category
homeaway.co.uk	Accommodations/Vacation Rentals
hometogo	Accommodations/Vacation Rentals
hoseasons.co.uk	Accommodations/Vacation Rentals
hostelworld.com	OTA
hotels.com	OTA
ihg.com	Accommodations/Supplier
jet2	Airline
jetcost.com	Metasearch
kayak	Metasearch
klm.com	Airline
lastminute	OTA
leclercvoyages.com	OTA
liligo.fr	Metasearch
lonelyplanet.com	Travel Content
loveholidays.com	OTA
lufthansa.com	Airline
megabus.com	Ground Transportation
momondo	Metasearch
muenchen.de	Other
nationalexpress.com	Ground Transportation
nationalrail.co.uk	Ground Transportation
nationaltrust.org.uk	Other
onthebeach.co.uk	OTA
opodo	OTA
oui.sncf	Ground Transportation
ouibus.com	Ground Transportation
ouigo.com	Ground Transportation
paris.fr	Other
petitfute.com	Travel Content
pocruises.com	Cruises
premierinn.com	Accommodations/Supplier
promovacances.com	OTA
ratp.fr	Ground Transportation

Site	Category
rentalcars.com	Ground Transportation
rome2rio.com	Ground Transportation
routard.com	Travel Content
ryanair.com	Airline
secretescapes	OTA
sixt	Ground Transportation
skyscanner	Metasearch
sonnenklar.tv	OTA
stagecoachbus.com	Ground Transportation
swoodoo.com	Metasearch
sykescottages.co.uk	Accommodations/Vacation Rentals
tcl.fr	Ground Transportation
theculturetrip.com	Travel Content
thetrainline.com	Ground Transportation
trainline.fr	Ground Transportation
transavia.com	Airline
transilien.com	Ground Transportation
traum-ferienwohnungen.de	Accommodations/Vacation Rentals
travelbook.de	Travel Content
travelodge.co.uk	Accommodations/Supplier
travelrepublic.co.uk	OTA
travelsupermarket.com	Metasearch
travelzoo.com	Metasearch
tripadvisor	Metasearch
trivago	Metasearch
tui	OTA
urlaubsguru.de	Metasearch
urlaubspiraten.de	Metasearch
urlaubstracker.de	Metasearch
viator.com	Experiences
virgin	Airline
voyage-prive.com	OTA
wizzair.com	Airline