

nielsen

The Travel Media Market

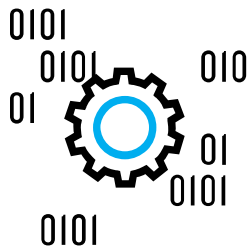
Global Advertising Trends and how to focus on Responsible Tourism

London, Nov 7th, 2017

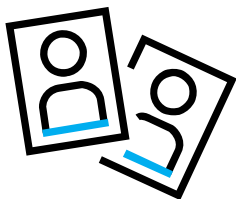
Ann-Sophie Wagner – Nielsen Media Insights, Hamburg

Jens Brockmann – Nielsen Global Ad Intel, Amsterdam

LET'S TALK ADVERTISING



Global Advertising Trends
– **quantitative approach**
(advertising expenditure data)



How to focus on Responsible Tourism
– **qualitative approach**

(‘Global Millennials Report’, Nielsen 2016)

(‘Global Survey of Corporate Social Responsibility and Sustainability’, Nielsen 2015)

NIELSEN MEDIA DATA & INSIGHTS

Advertising: Facts, Trends and Insights



COUNTRIES

24 countries world-wide, tracked by Nielsen

PERIOD

2012 - H1 2017

MEDIA

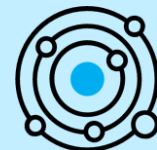
TV, Radio, Newspapers, Magazines, Internet, Cinema, Outdoor

DATA

Gross rate card spend, net-estimated (where applicable)

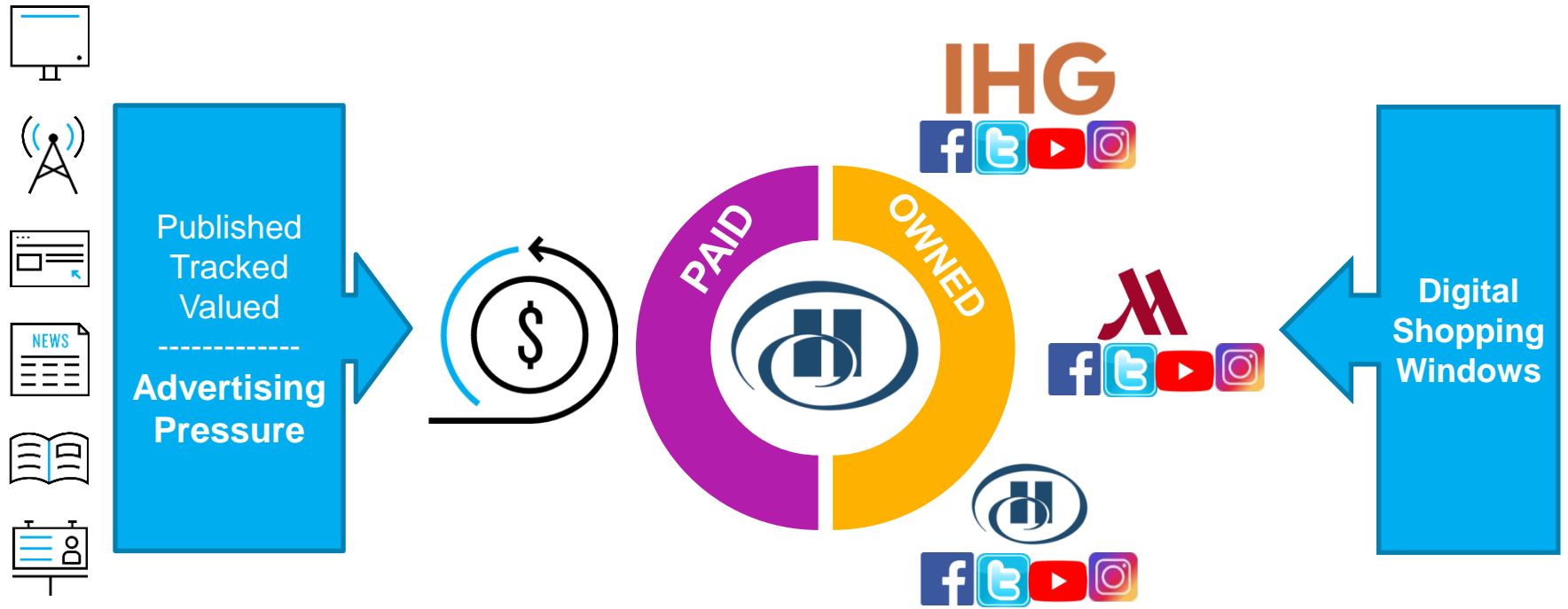
TRANSPORT&TOURISM

Accommodation, Air Transport, Holidays, Retail, and Tourist Boards
+ 'Others' including Theme Parks, Transport (Boat, Ship, Rail, Road)



ABOVE-THE-LINE ADVERTISING

Analyses on publicly accessible marketing and communication activities (by advertiser/brand)



Cross-media/cross-country competitive spend & message-to-market advertising intelligence

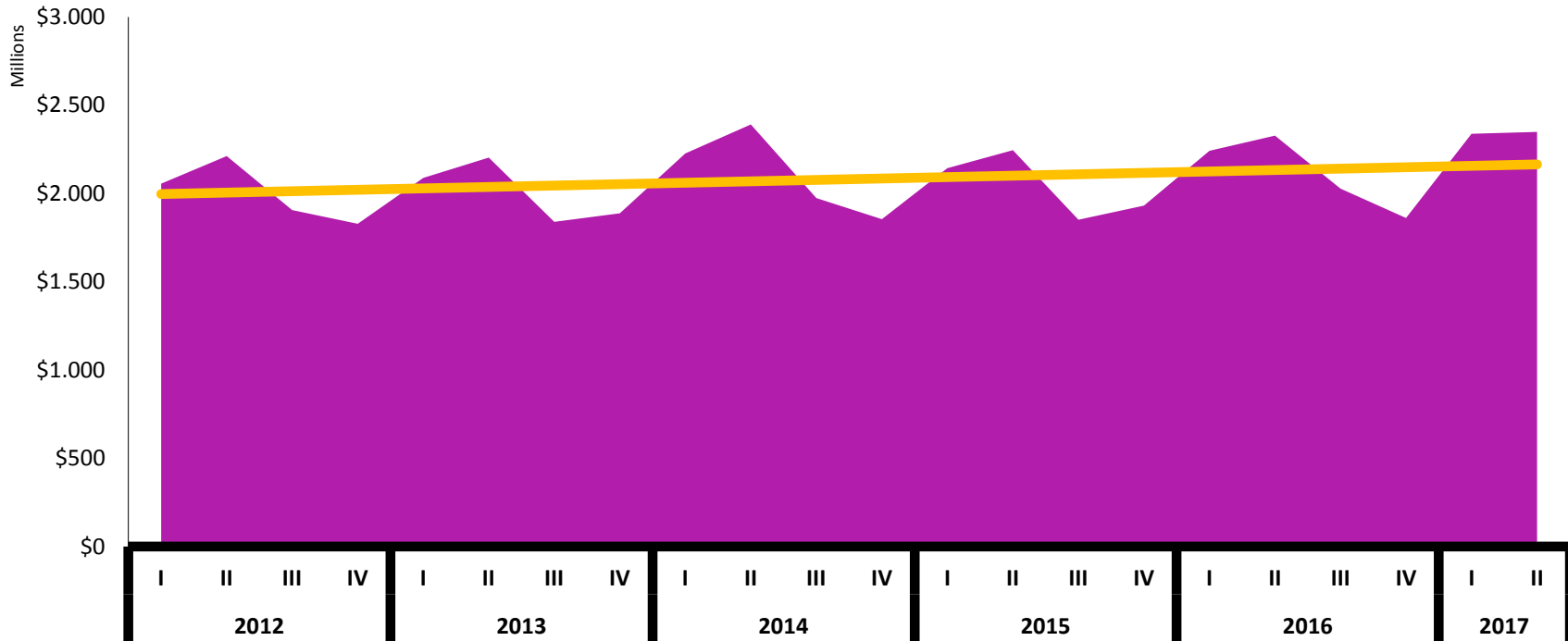


GLOBAL ADVERTISING TRENDS

POSITIVE TREND OVER 5 YEARS



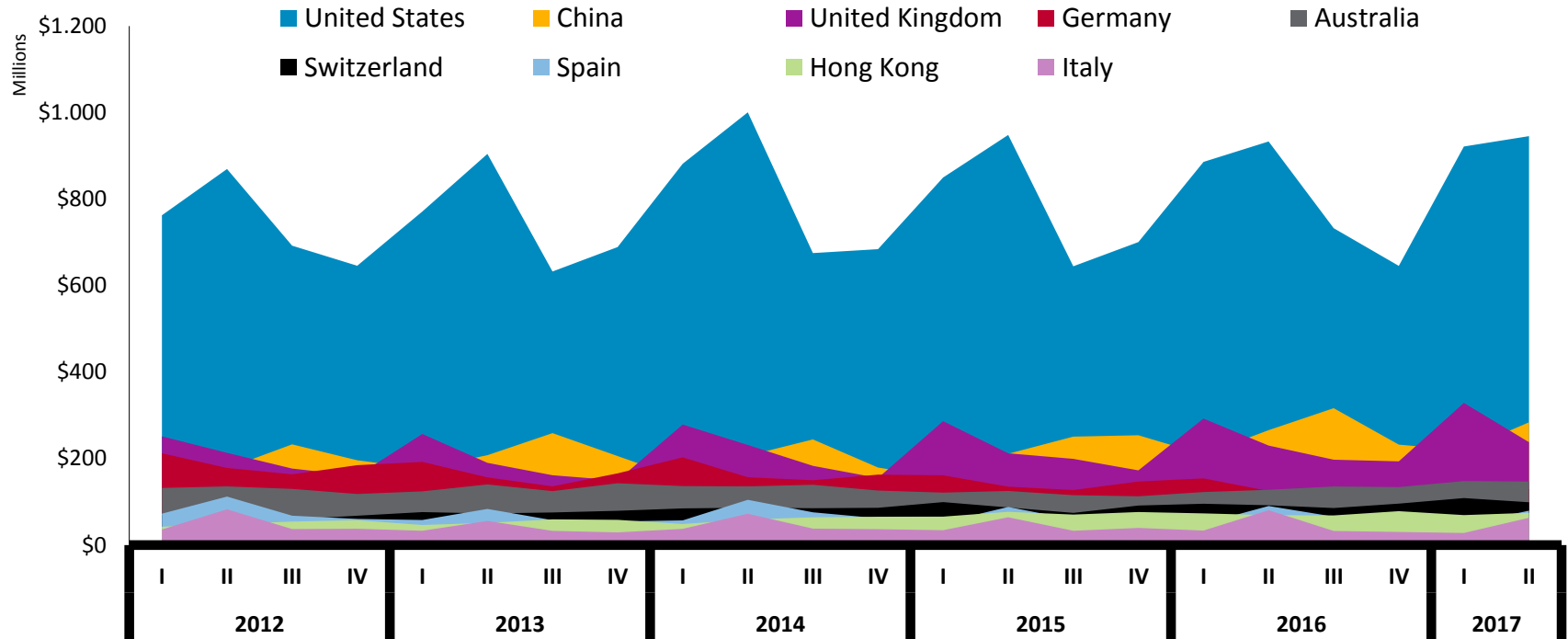
Travel & Tourism advertising increasing moderately over last 5 years



If starting point 2014, trend would be flat. USA dominating global advertising (in all areas).

US TOWERING OVER ALL OTHERS

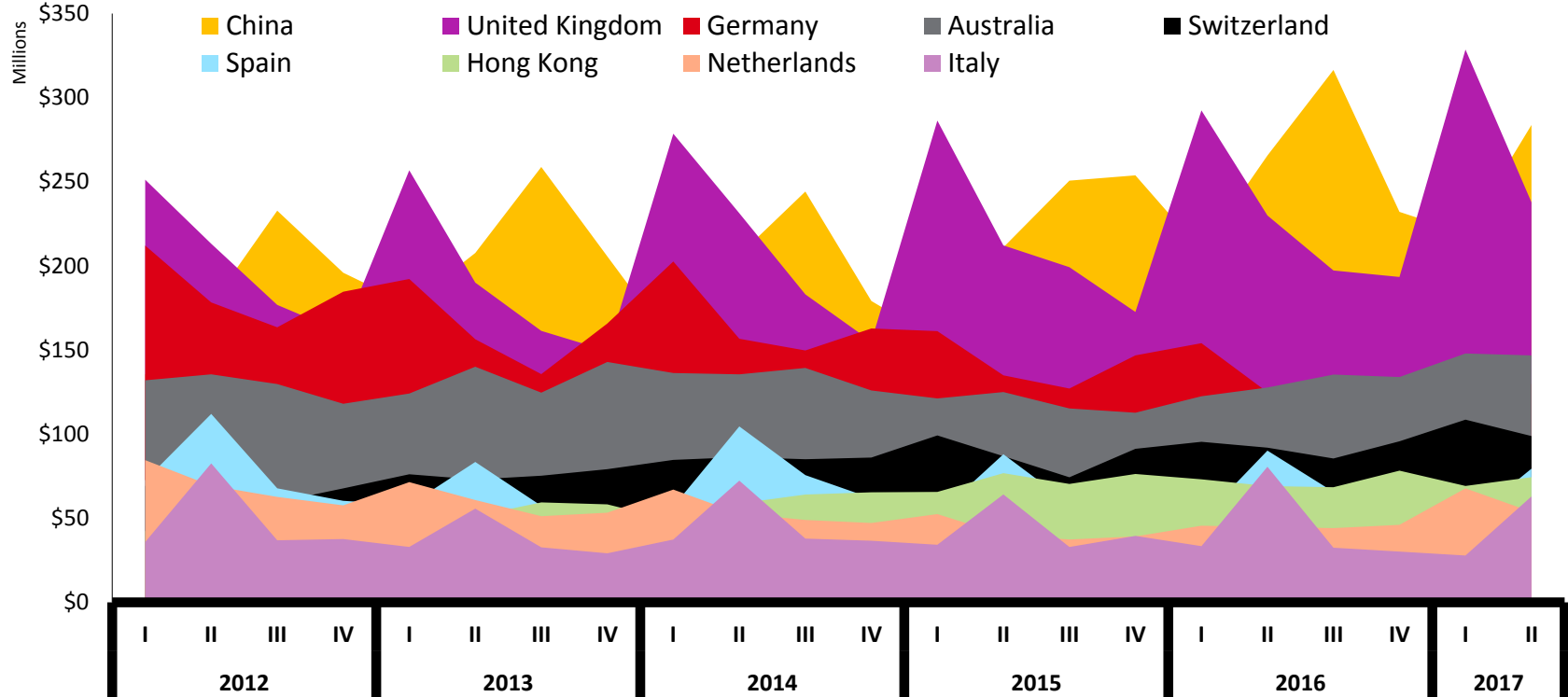
Travel & Tourism advertising trends overlaid by US-domestic trends



2017 most likely ends with 0%-growth globally.

MOUNTAIN HIGH, VALLEY LOW

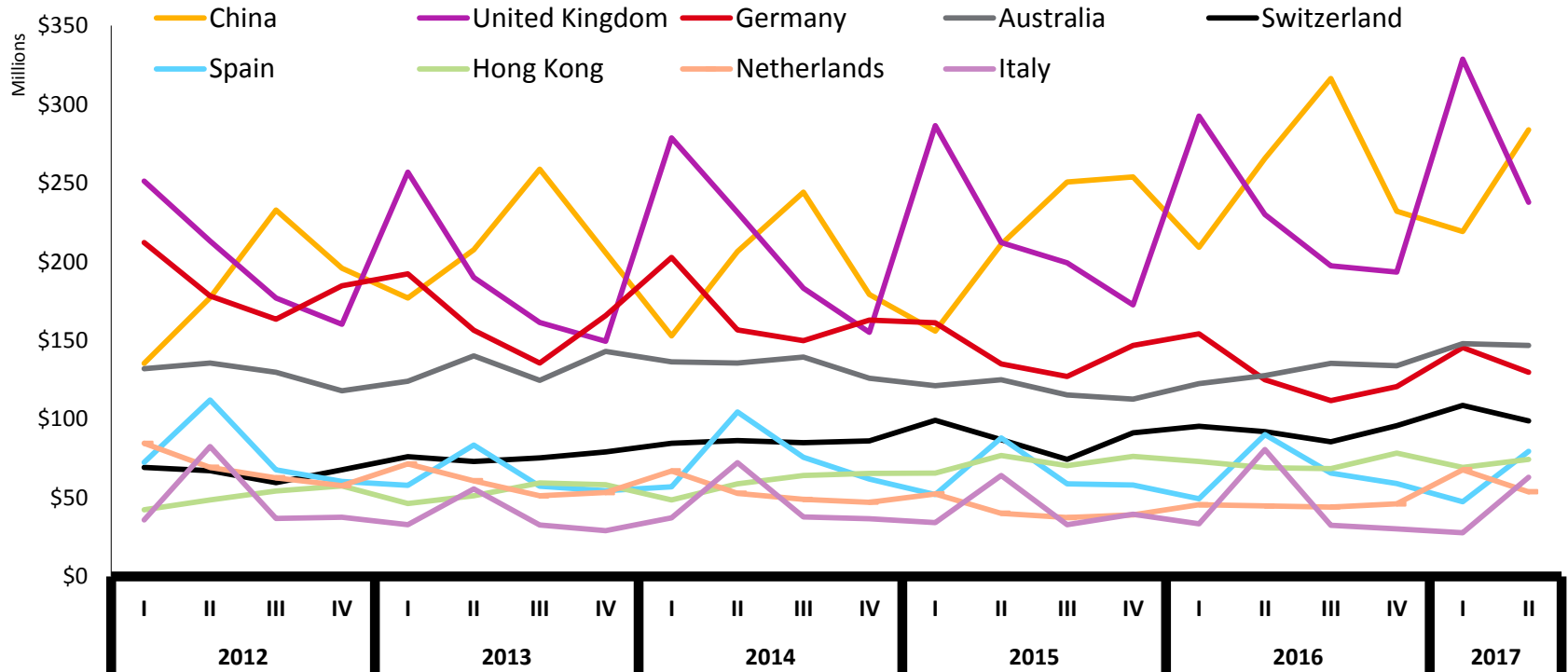
Clearer view without US. UK & China come co-runners-up



Country-selection for most-travelled-to and high travel expenditure countries.

SIZE DOESN'T MATTER

Often smaller countries show high advertising spend and vice versa.



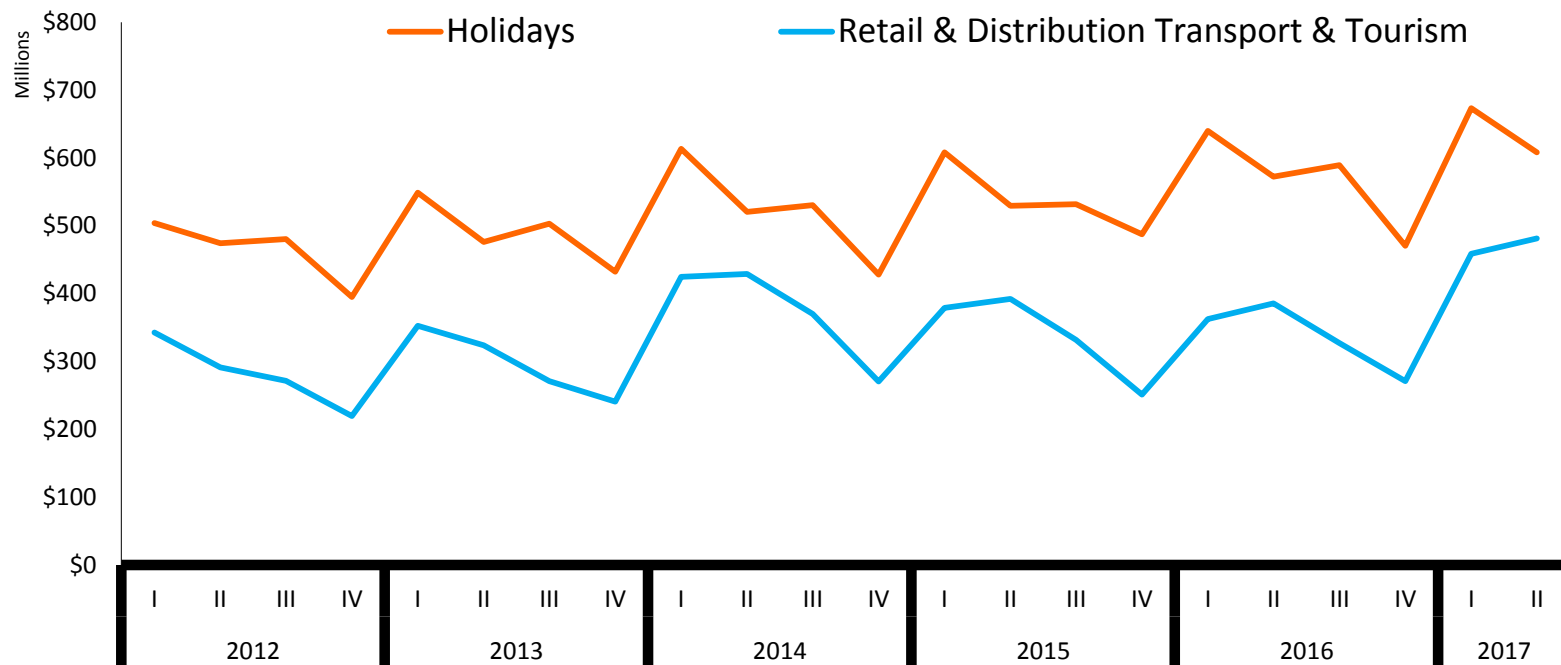
UK & China peaking at different quarters. Germany in decline. Australia & Switzerland strong.



THE SECTORS

MISSION: ALL-YEAR-HOLIDAY

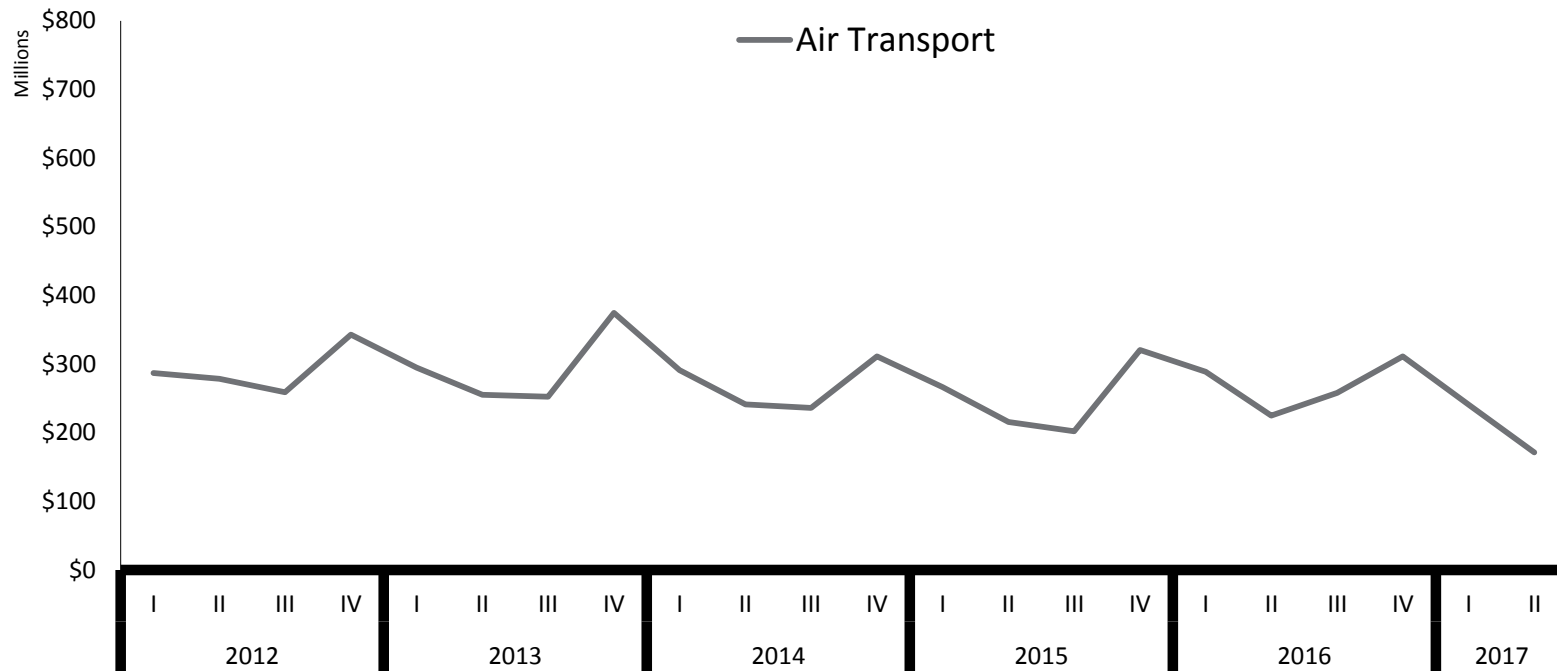
'Holidays' by far strongest advertiser. First quarter bookings important for full year.



'Retail' category in countries often confounded with 'Holidays', advertising similar content.

MISSION: FLY IN ALL SEASONS

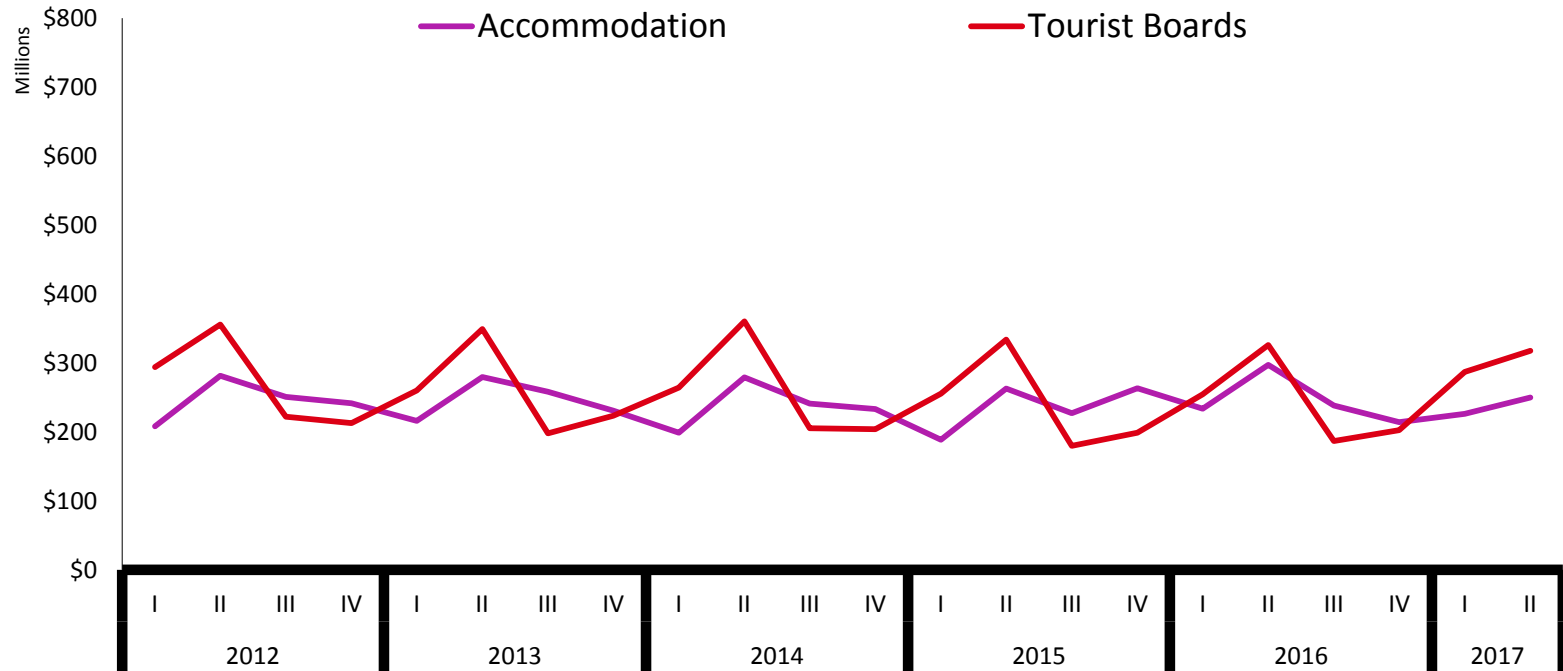
Airlines' advertising peak anticyclical to high season.



High operational cost require stable cash flow. Advertising as instrument to bolster low season.

MISSION: BUSINESS & LEISURE – BOTH!

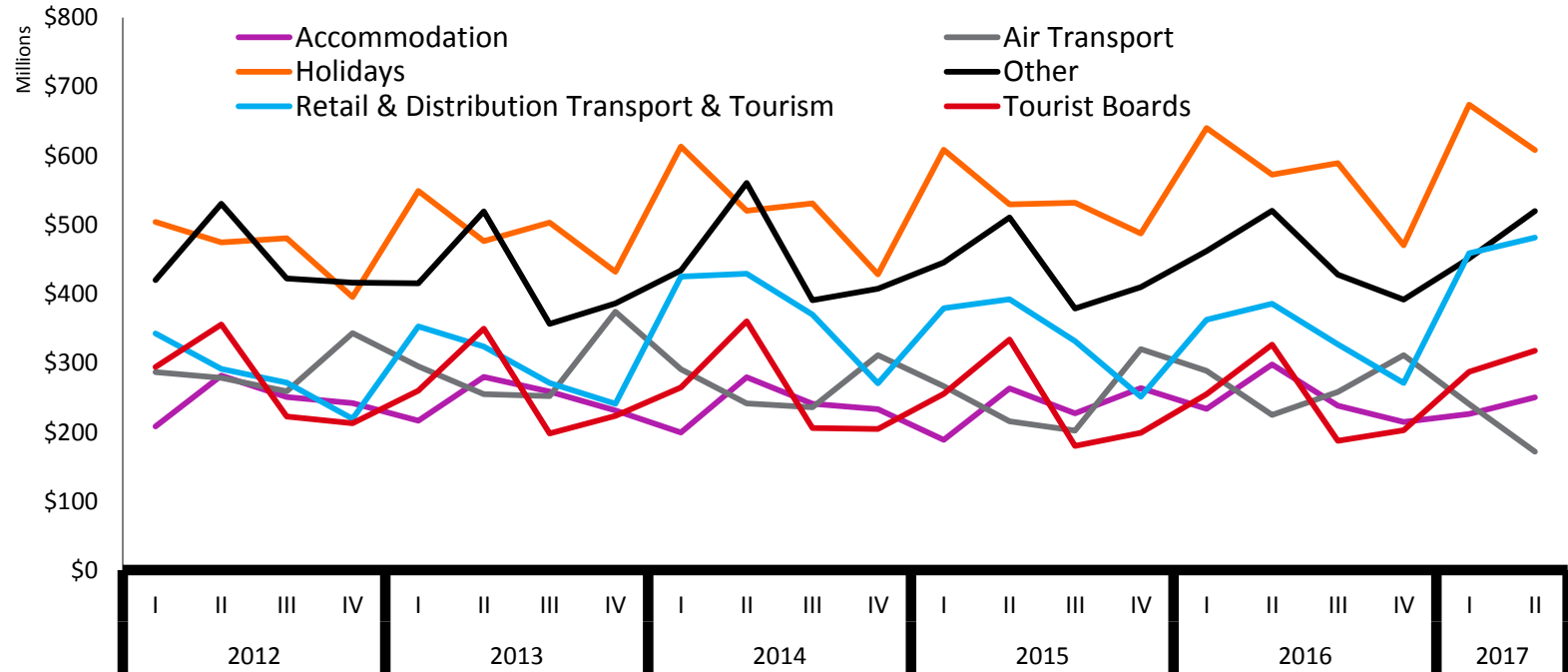
Publicly funded 'Tourist Boards' as high as hotel-chain dominated 'Accommodation'



'Tourist Boards' peak when people start planning holiday. 'Accommodation' addresses business & holiday-makers alike, in line with revenue streams.

ON DIFFERENT MISSIONS

'Other' Travel sector driven by US 'Theme Parks & Resorts'



For at least 80% of US citizens holidays are domestic. Theme Parks very popular and strong advertisers. Travel Sectors face very different challenges, hence show different advertising patterns.




COUNTRY TRENDS

TRAVEL MUCH MORE FRAGMENTED

No Travel company in Top 10 of world-wide largest advertisers.

Rank	Advertiser	
1	Procter & Gamble	
2	Unilever	
3	L'Oreal	
4	Volkswagen	
5	Comcast	
6	General Motors	
7	Daimler	
8	AB InBev	
9	Nestle	
10	LVMH	
...	...	
26	Priceline Group	+16%
...	...	
42	Expedia	+31%

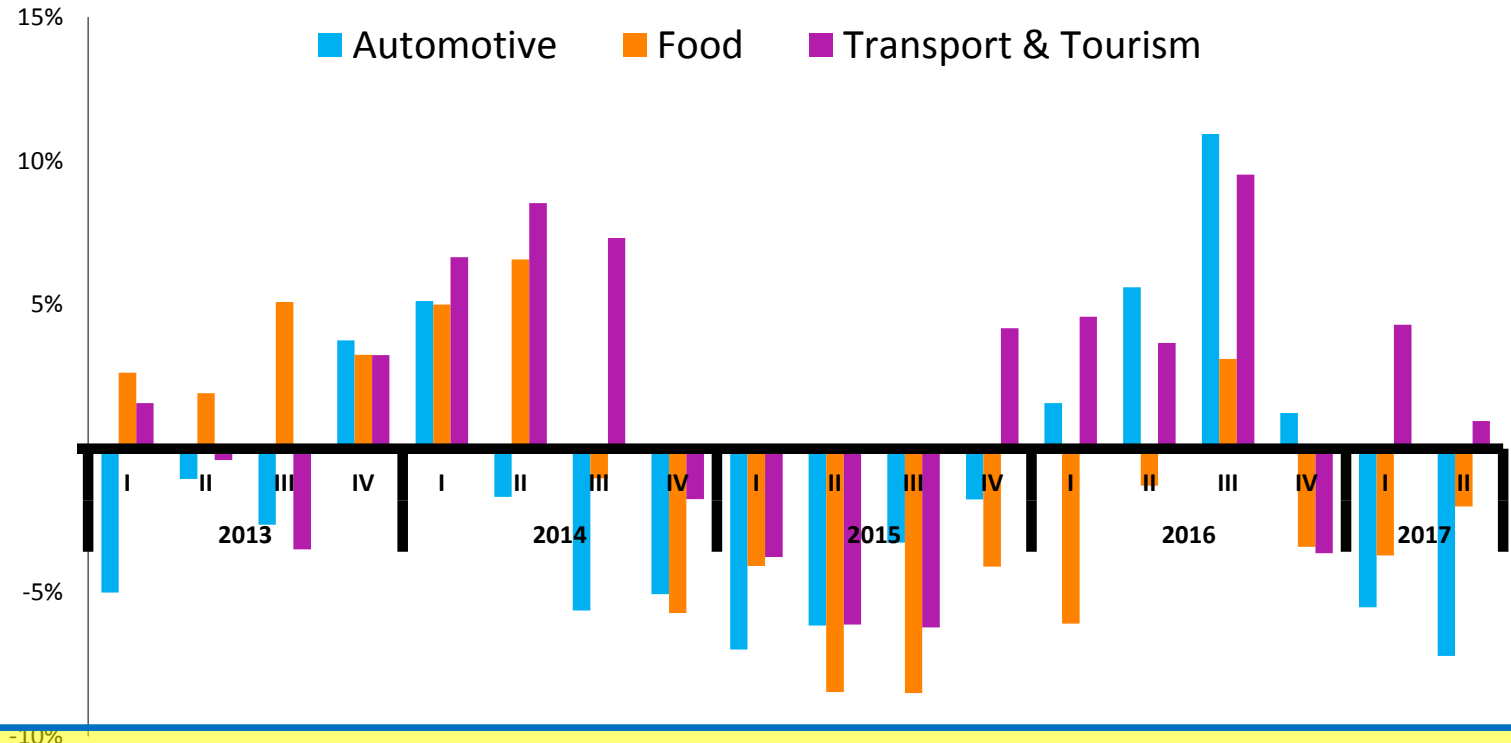


Source: AdAge Data Center, 2017

Other large industries like FMCG and Automotive have strong presence in Top-ranks.

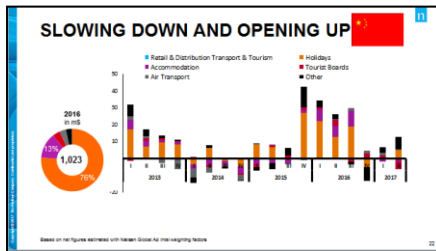
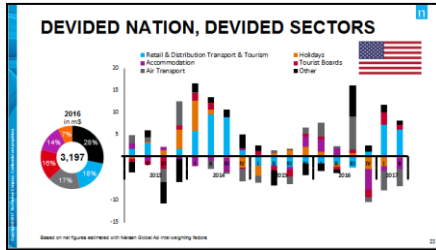
TRAVEL MUCH MORE FRAGMENTED

5-years quarterly y-o-y trends: comparison of large industries



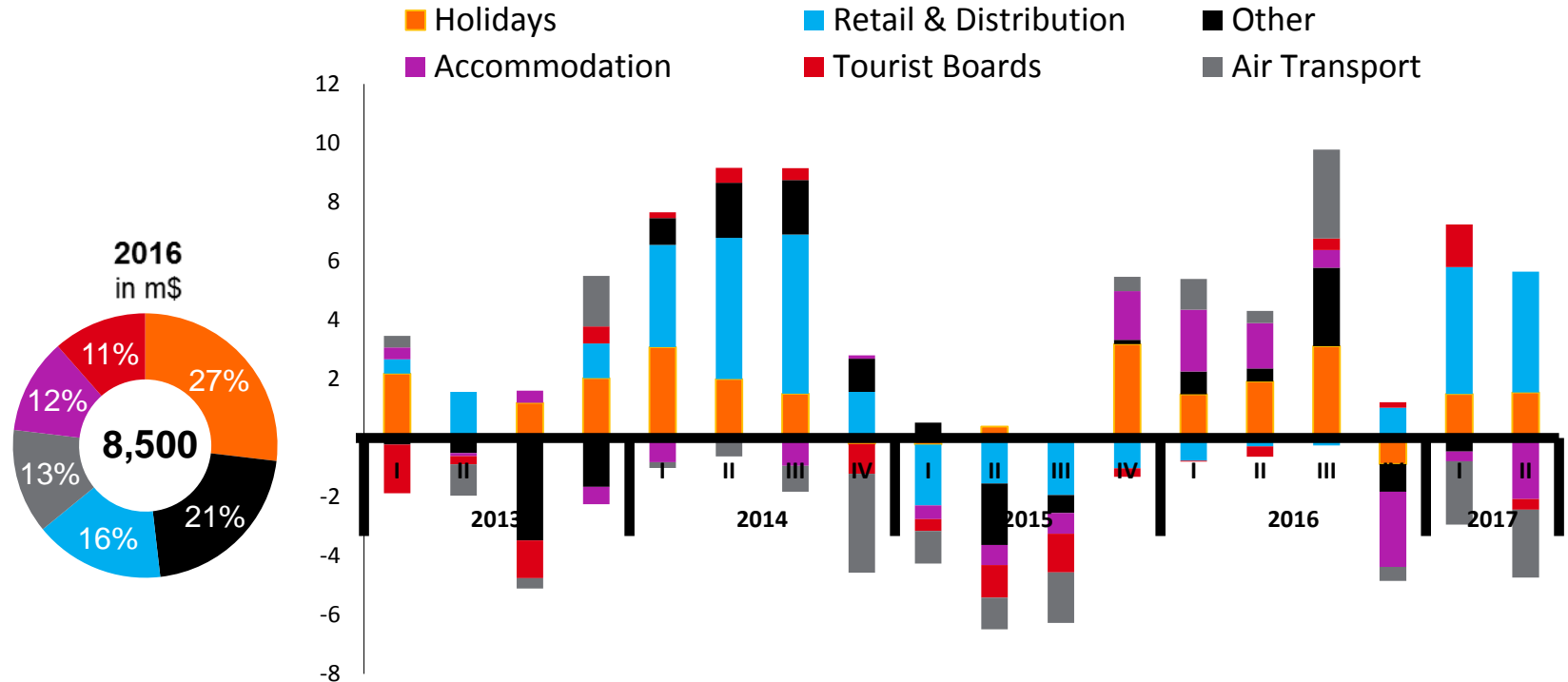
Financial crises in China 2015 affects advertising. 2016 recovery. 'Automotive' negative in H1 2017 as well as Food. Travel slightly up year-on-year.

HOW TO READ THE FOLLOWING FIVE TREND SLIDES ...



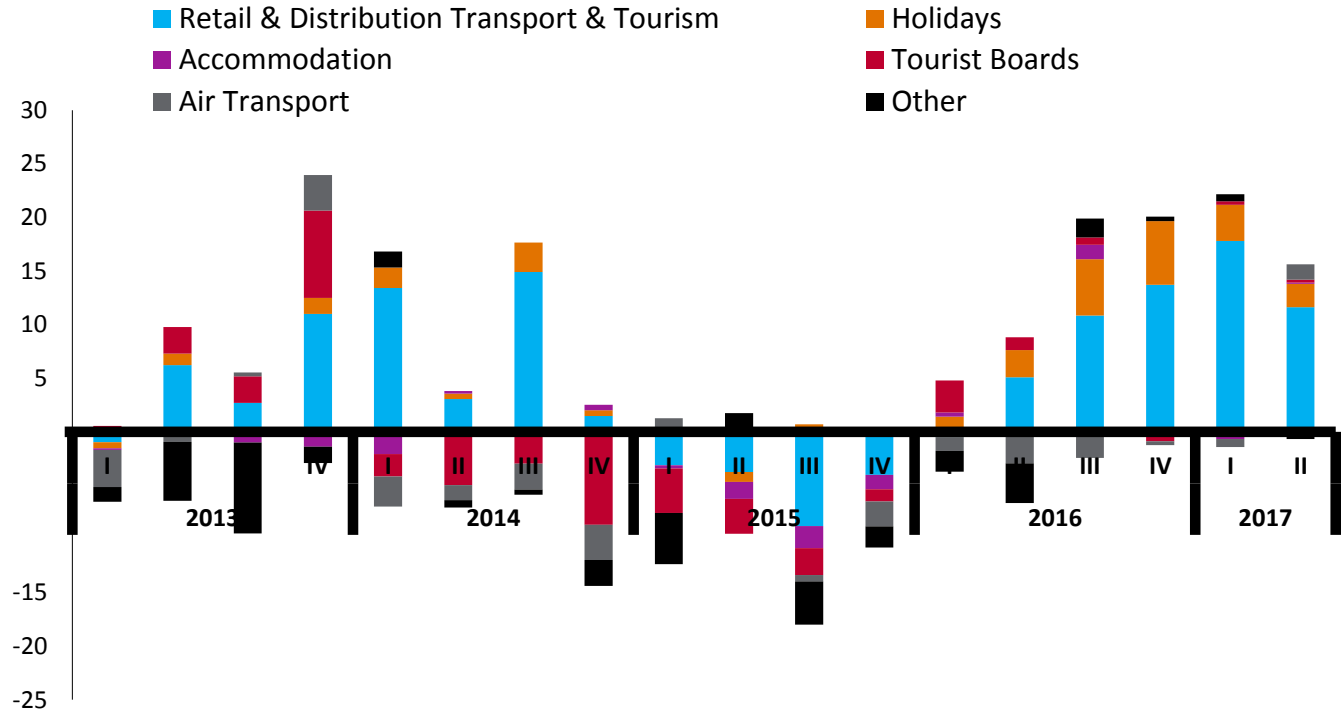
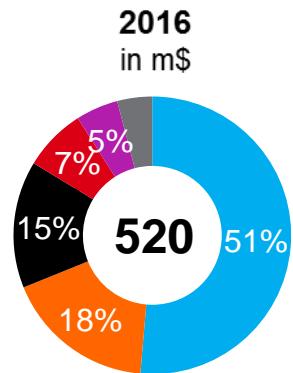
1. Pie graph on the left of slide shows share-of-spend by sector. Number in the centre of pie indicates size of 2016 travel advertising in million US-Dollars
2. Bar chart shows quarterly year-on-year trend over last 5-years in %
3. Colour-coded stacks in each bar show %-contribution of sector to growth/decline in full-market trend. *(NOTE: it does not show the sector-specific trend).*
4. If a sector's share-of-spend is high, a high contribution to growth/decline is expected.
5. If a small sector shows a large contribution to overall growth/decline, it means it is actually growing/declining much stronger within the sector.

MIXED BAG OF INVESTING STYLE



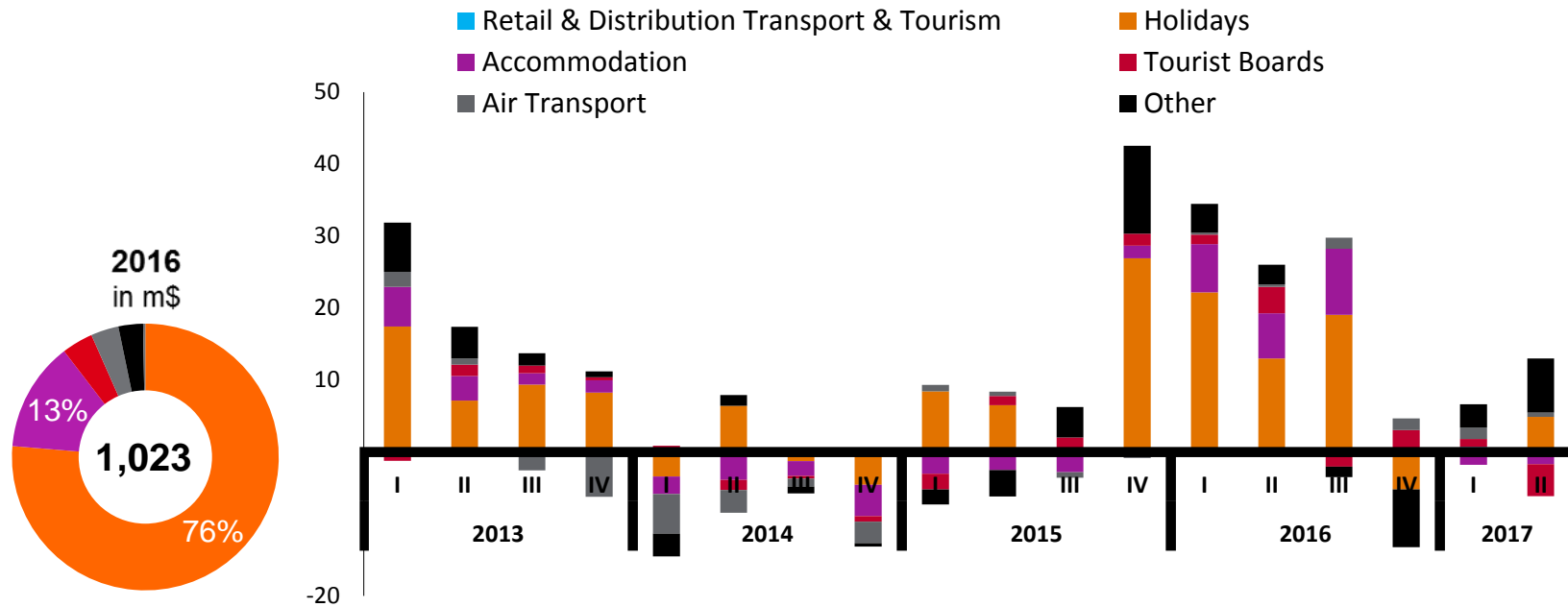
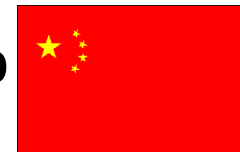
Accommodation large trend contributor though small sector. Same for 'Retail'. Airlines show negative start into 2017 due to 3 US airlines changing media strategy. (Remember USA is dominating)

MATURE TRAVELLERS



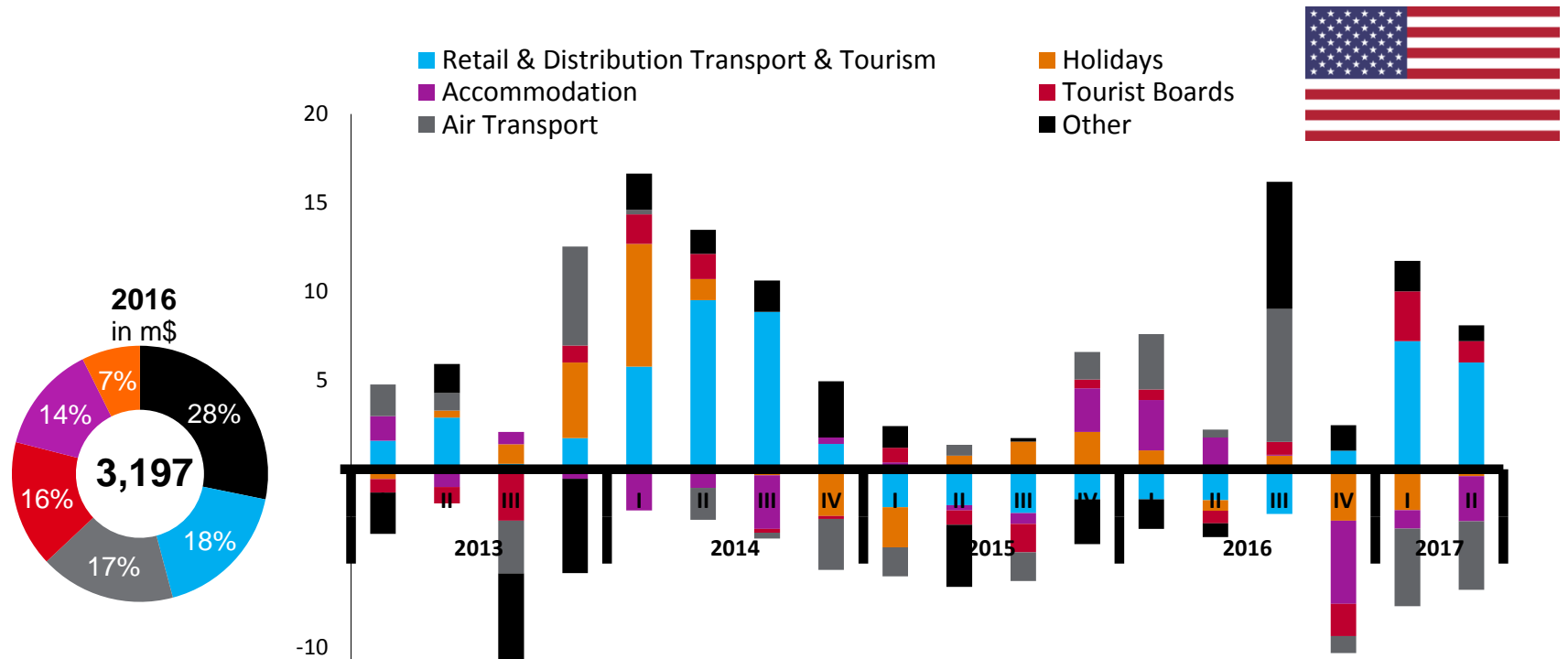
Advertising budget very high for size of country. Australia belongs to top-3 countries of international travel expenditure per capita. Optimistic outlook in 2017 with >20% increased budgets.

SLOWING DOWN AND OPENING UP



Massive increase year-on-year with > 40% in Q4 2015, continued until Q3 2016 at 30% rates. Slow down first half-year 2017. More and more 'Tourist Board' advertising hints for a more open China.

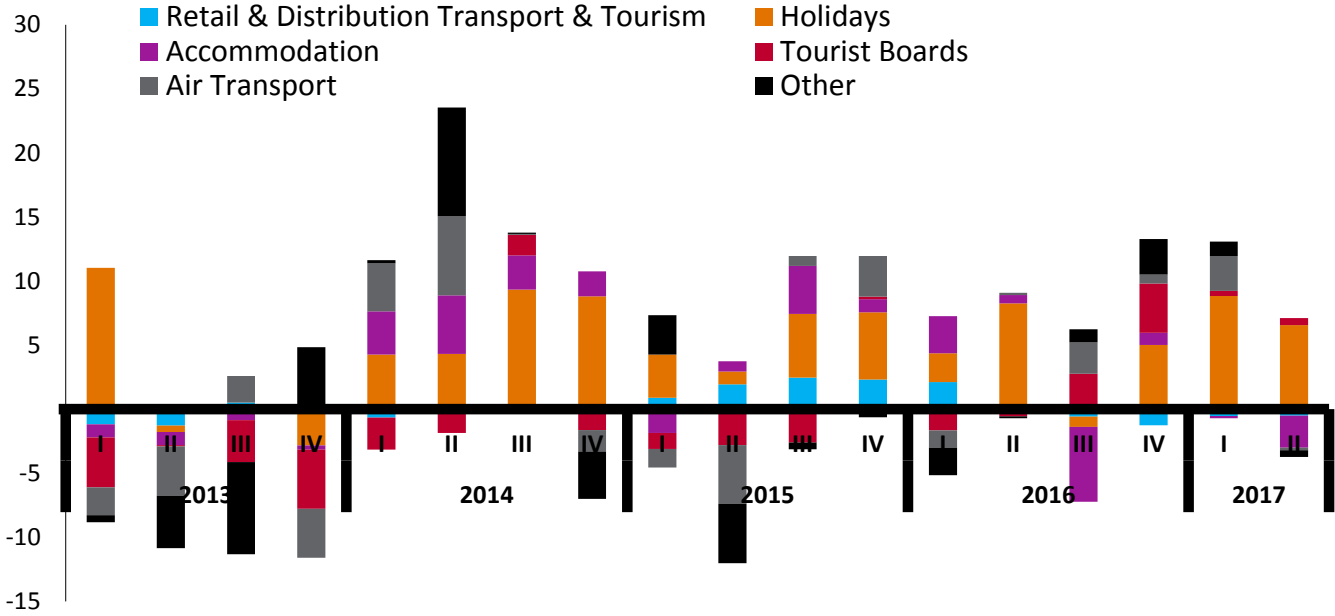
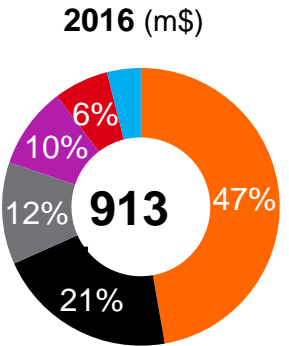
DEVIDED NATION, DEVIDED SECTORS



Very positive first half-year 2017 in 'Retail' shows optimism. But divided picture with Airlines slowing down after heavy increase in 2016. 'Other' sector includes advertising driver 'Theme Parks' in line with the large amount of people making domestic holidays in the USA.



BREXIT, BUT BAGS PACKED

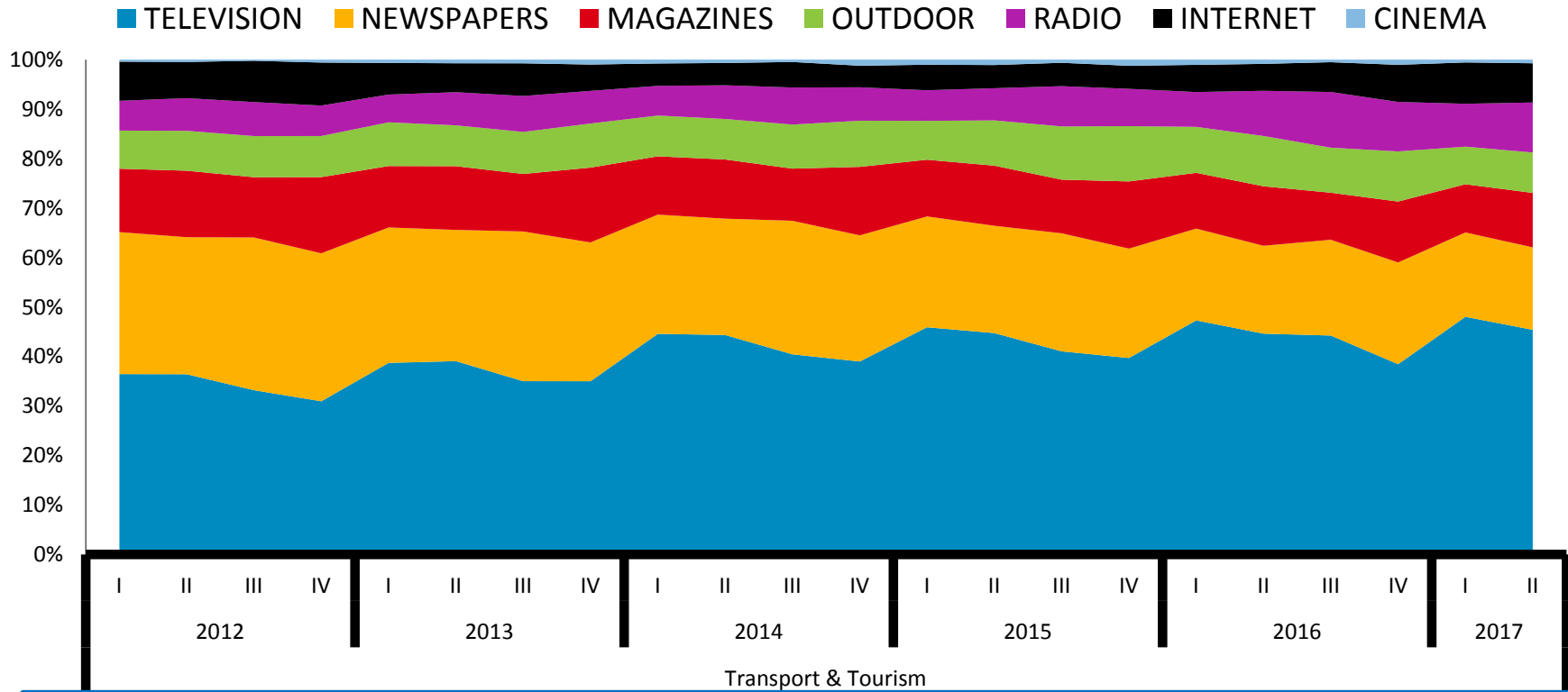


Very large advertising market in relation to habitants. Mature market. Positive climate with almost uninterrupted advertising growth since 2014. Ad spend reflects how much UK-people being international travellers.



MEDIA CHANNELS

TV-RIVER WIDER, NEWSPAPER FUTURE CREEK

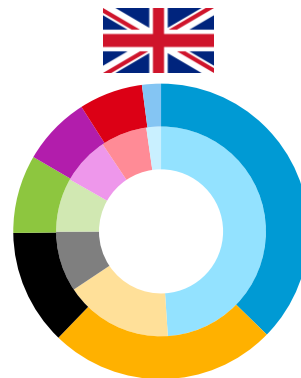
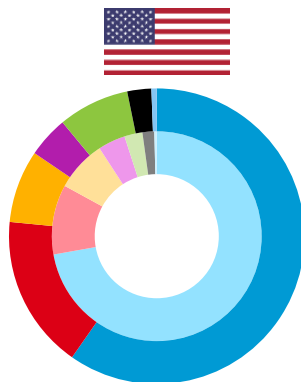
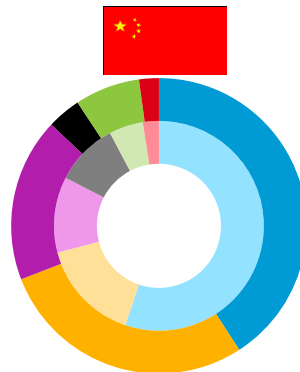
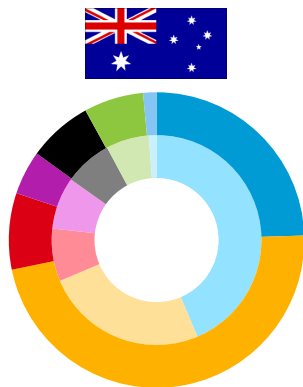


Transport & Tourism

TV stays 'King of Advertising'. Digital underrepresented (due to methodology) but growing. Newspaper and Radio ('Drive Time') relatively strong being transactional media-types.

PRINT ADS ALLOW DRILL DOWN TO SMALL PRINT

'Travel' share-of-spend by media type (outside) vs. 'All Other' (inside) in 2016



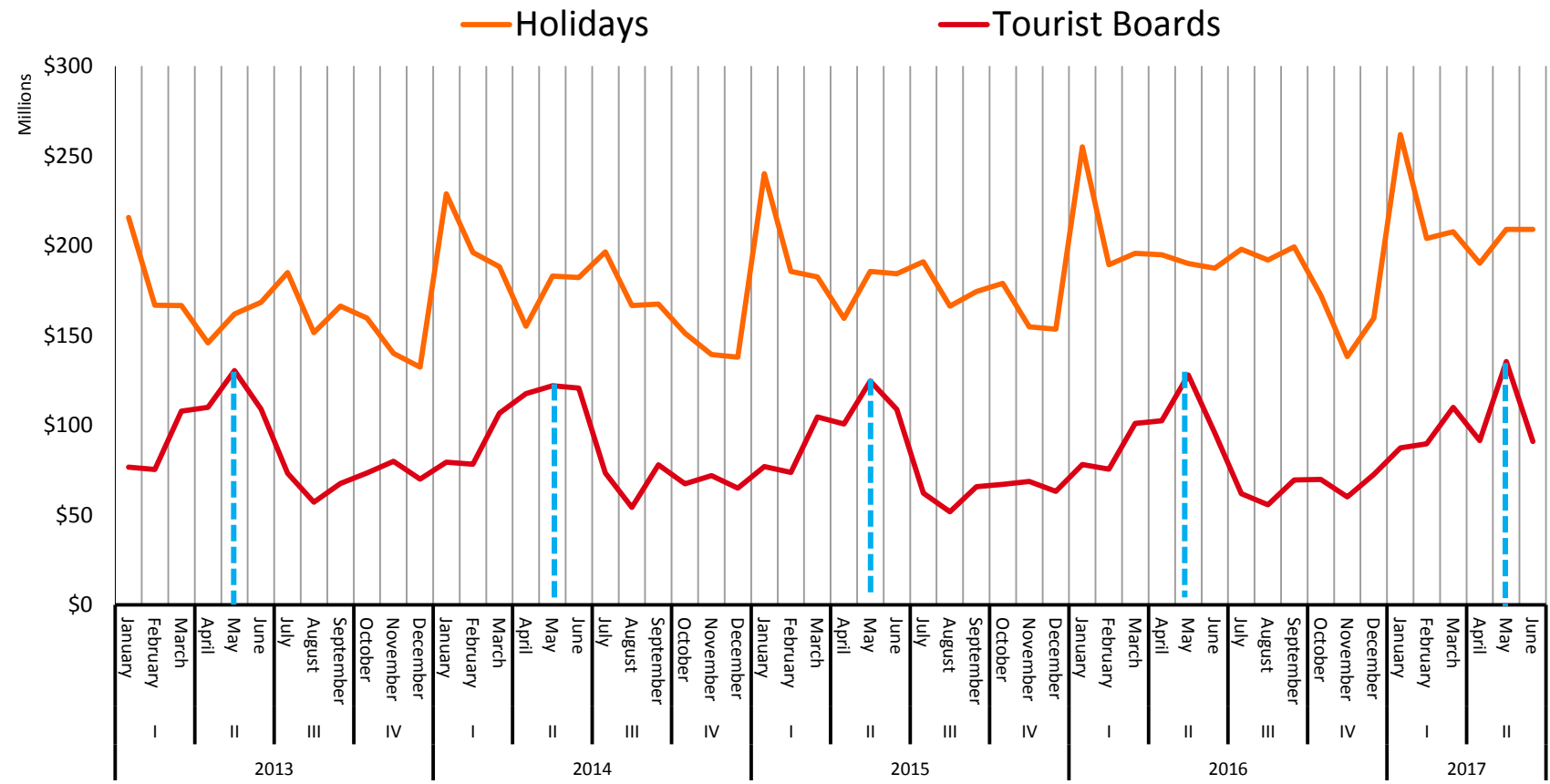
- TELEVISION
- RADIO
- OUTDOOR
- NEWSPAPERS
- MAGAZINES
- INTERNET
- CINEMA

Though TV dominates 'Travel' uses it less than in 'All Other' industries. Print strong as it allows combination of strong visuals with details and explanation for complex products' advertising



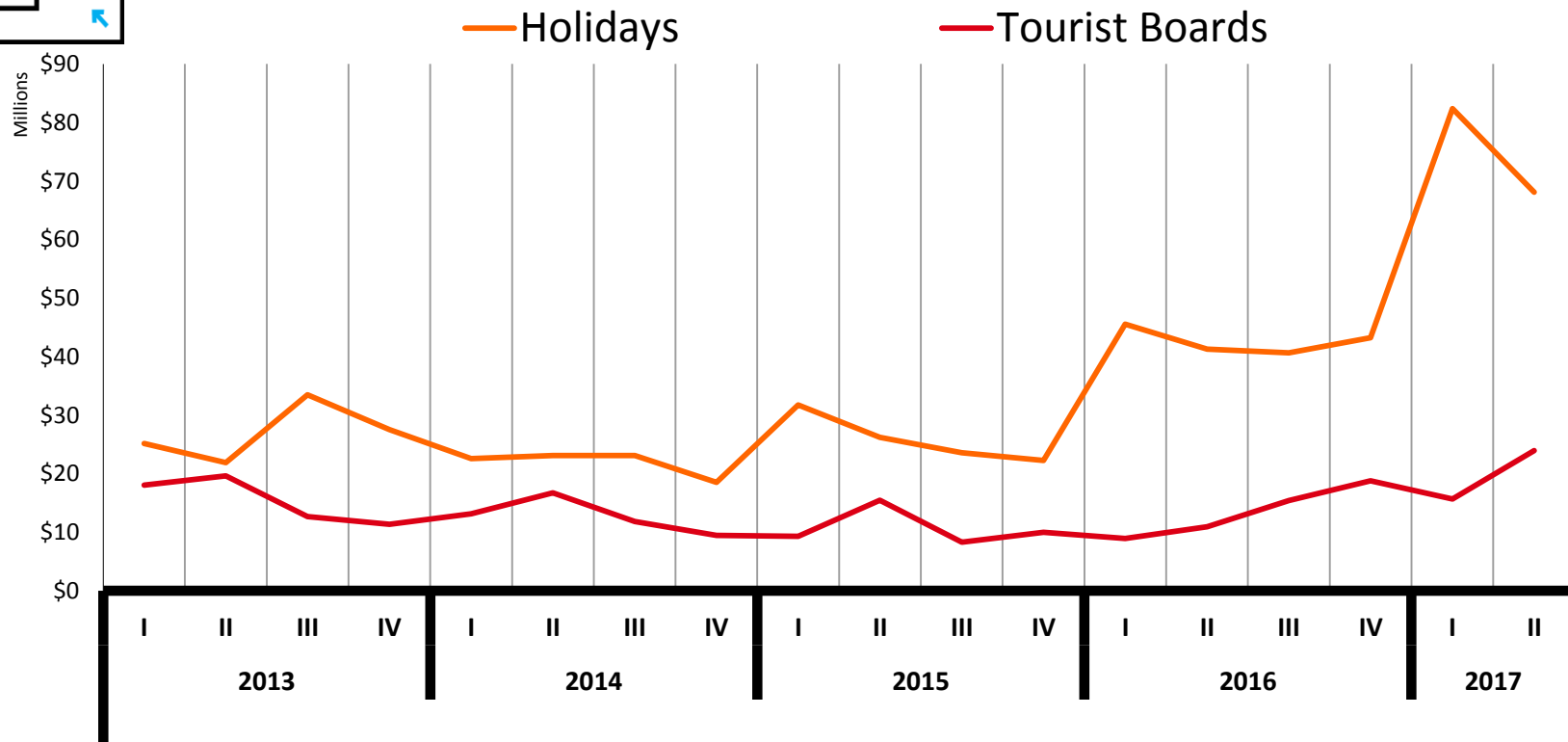
TOURIST BOARDS

TOURIST BOARDS PEAK LATER



'Tourist Boards' peak in May during holiday planning, flat over five year. Spend level much lower, publicly funded. Holidays peak in January to encourage early booking, increasing trend.

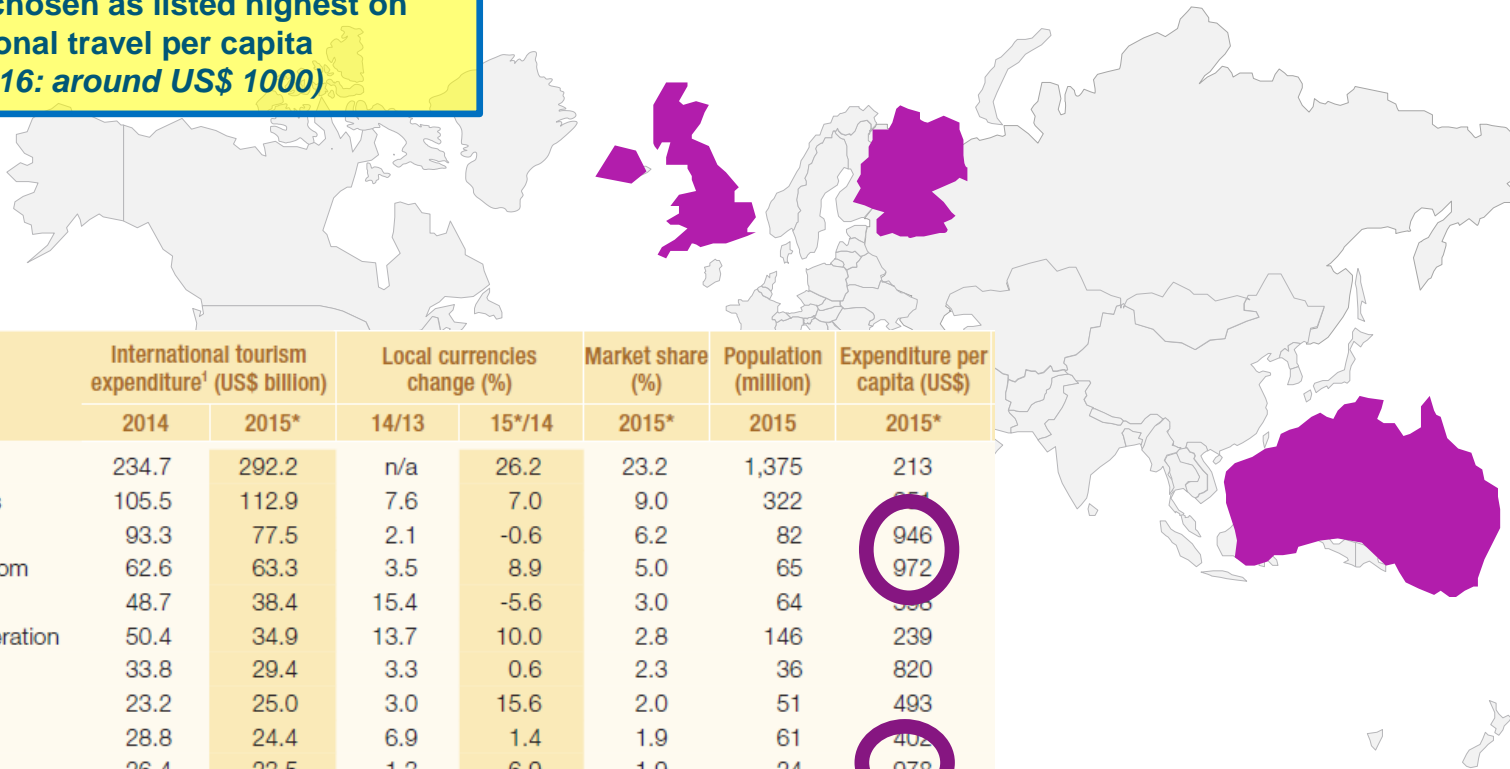
TOURIST BOARDS LATE IN INTERNET?



Development of DIGITAL advertising slower for 'Tourist Boards'.

TOURIST BOARDS IN KEY MARKETS

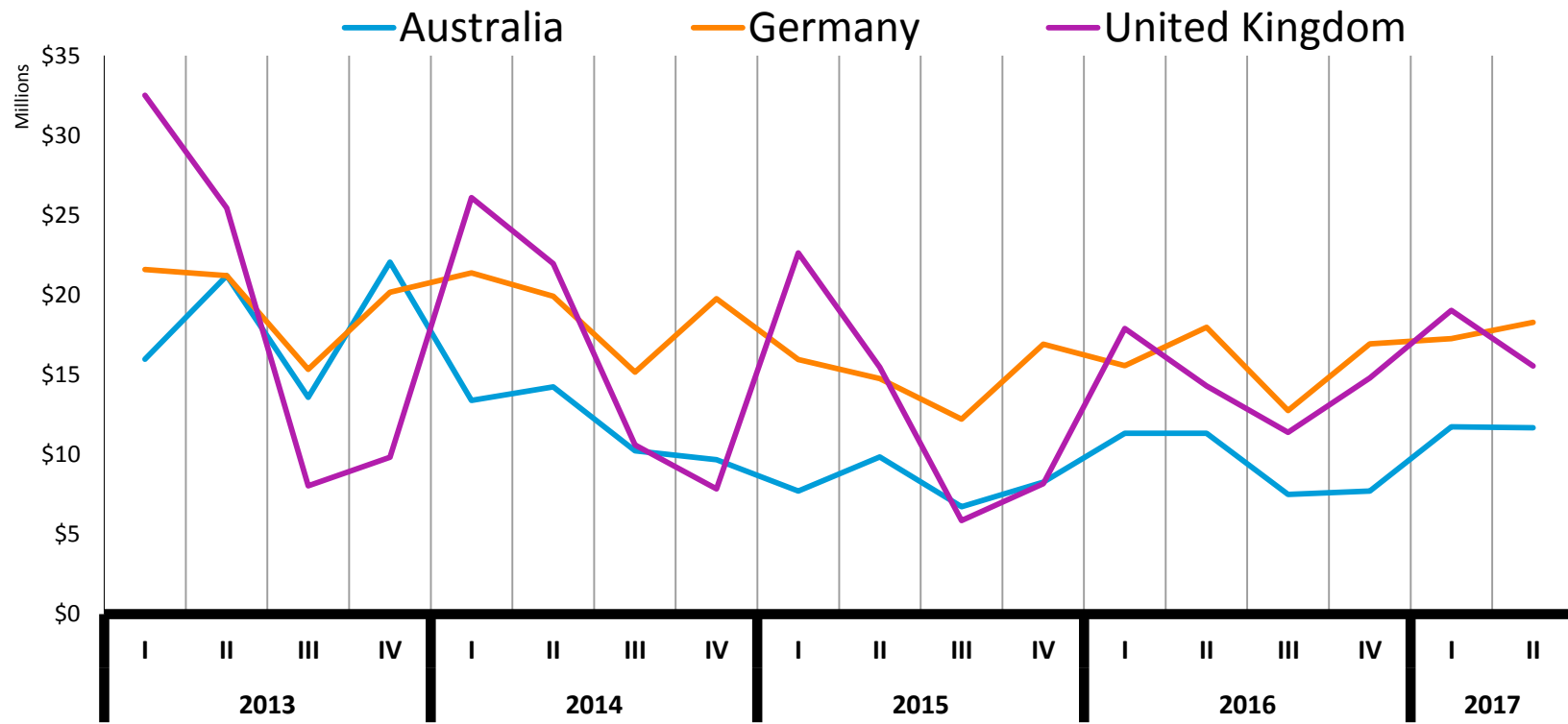
For next two slides Australia, Germany and UK chosen as listed highest on international travel per capita (WTO 2016: around US\$ 1000)



Rank		International tourism expenditure ¹ (US\$ billion)		Local currencies change (%)		Market share (%)	Population (million)		Expenditure per capita (US\$)
		2014	2015*	14/13	15*/14	2015*	2015	2015*	
1	China	234.7	292.2	n/a	26.2	23.2	1,375	213	
2	United States	105.5	112.9	7.6	7.0	9.0	322	351	
3	Germany	93.3	77.5	2.1	-0.6	6.2	82	946	
4	United Kingdom	62.6	63.3	3.5	8.9	5.0	65	972	
5	France	48.7	38.4	15.4	-5.6	3.0	64	598	
6	Russian Federation	50.4	34.9	13.7	10.0	2.8	146	239	
7	Canada	33.8	29.4	3.3	0.6	2.3	36	820	
8	Korea (ROK)	23.2	25.0	3.0	15.6	2.0	51	493	
9	Italy	28.8	24.4	6.9	1.4	1.9	61	402	
10	Australia	26.4	23.5	-1.3	6.9	1.9	24	978	

Source: World Tourism Organization (UNWTO) ©. Please see page 9 for symbols and abbreviations.

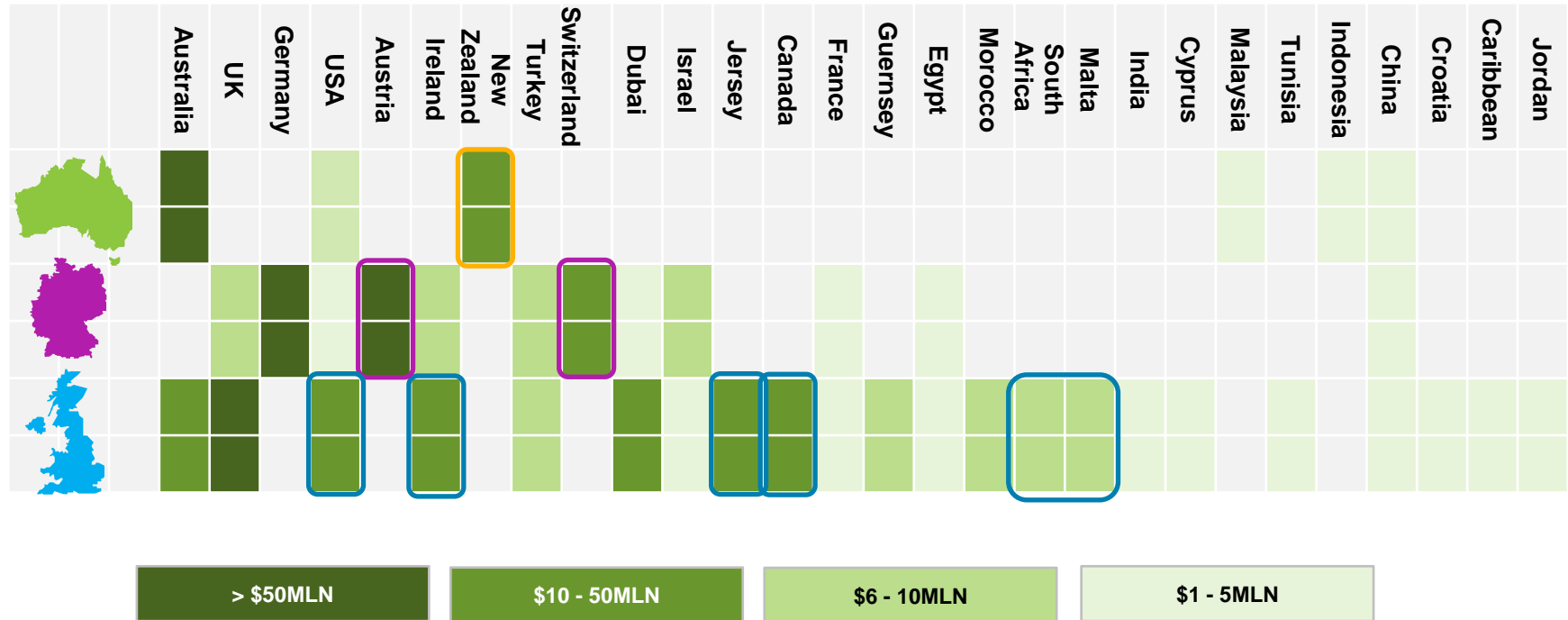
TOURIST BOARDS IN KEY MARKETS



Overall decreasing trend. UK peaks very strong. Germany most stable and highest last quarter.

DESTINATIONS PROMOTED IN KEY MARKETS

Ad spend over last five years (Q1 2012 – Q2 2017)



Own and neighbour's Tourist Boards very strong. UK shows longest tail indicating popularity as holiday and business destination, also no or lowest language barrier. US no interest in Germany.

TOURIST BOARDS CREATIVE EXAMPLES



Discover Some of the Whitest Sand and
Clearest Waters on the Unspoilt NSW...

VISIT NSW



TOURIST BOARDS CREATIVE EXAMPLES

No major 'Responsible Tourism' campaign was found to analyse for the purpose of this presentation. Examples shown here take 'Nature' as a theme but do not stress 'sustainability'.

'Responsible Tourism' is difficult to sell. (E.g. only 4% choose off-setting carbon dioxide when booking flights = 96% are not, though amounts are tiny.)

On upper right side example to incentivize taking responsibility, albeit not a Tourism ad.

Lower right shows 'Green Globe' logo: Tough household-names of hotel chains are accredited, the logo is not at all used in advertising visuals.

From a mass advertising point-of-view Nielsen data supports that only niche attempts to raise awareness and/or create marketable products were made.

Discover Some of the Whitest Sand and
Clearest Waters on the Unspoilt NSW...

VISIT NSW



INTERMEZZO CONCLUSIONS

FINDINGS – TRAVEL ADVERTISING IS ...

1

Diverse

Many parts make the travel industry,
many messages are needed

2

Cultural

My country is my travel guide

3

Individual

Travel with style, travel in your lifestyle



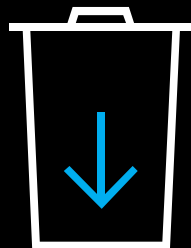
HOW TO FOCUS ON RESPONSIBLE TOURISM

SUSTAINABILITY

WHAT DOES IT MEAN?



Saving energy



Recycling

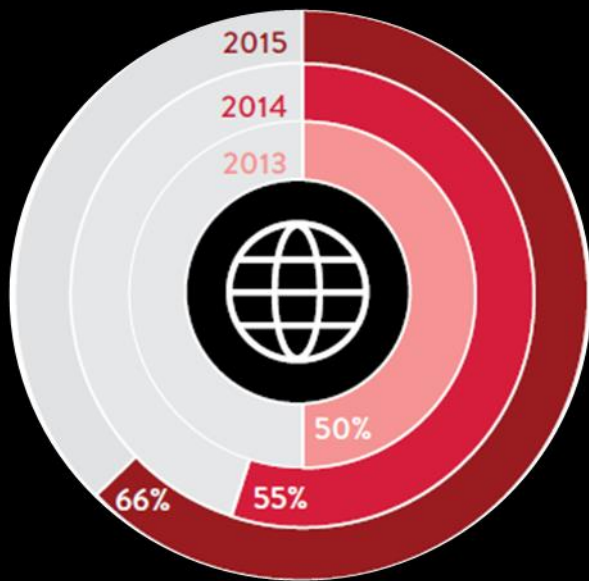


Social responsibility



**Supporting non-profits
and civic organizations**

GROWING INTEREST FOR SUSTAINABLE BRANDS



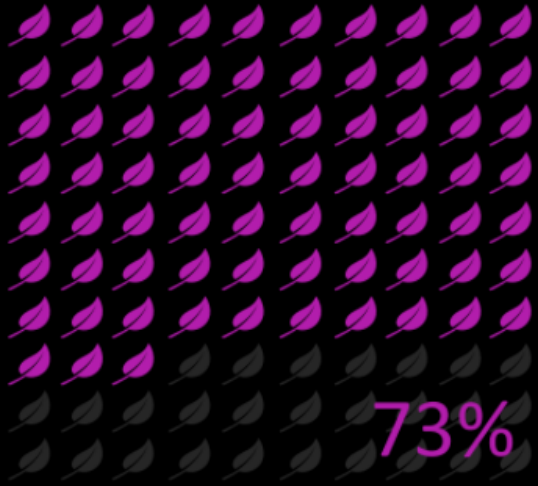
SIXTY-SIX PERCENT OF GLOBAL RESPONDENTS ARE WILLING TO PAY MORE FOR SUSTAINABLE GOODS, UP FROM 55% IN 2014 (AND 50% IN 2013).

WILLING TO PAY MORE FOR SUSTAINABLE BRANDS

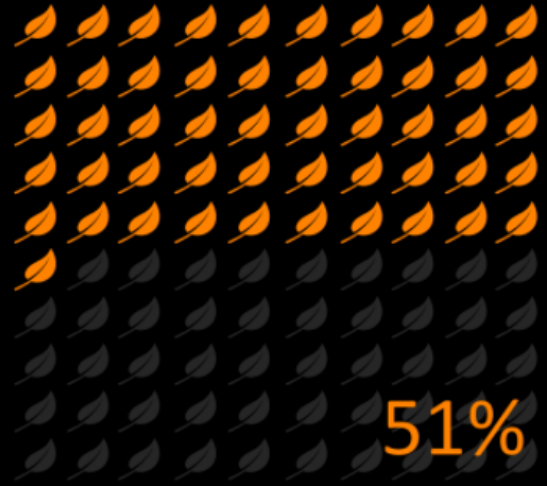


% willing to pay more for sustainable brands

● Millennials & Generation Z



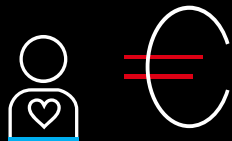
● Baby Boomers



YOUNGER PEOPLE HAVE HIGHEST LEVEL OF TRUST IN ADVERTISING



GEN Z



MILLENNIALS



GEN X



BOOMERS



SILENT GEN



TV

58%

67%

64%

55%

48%



Newspaper

57%

62%

62%

55%

53%



Radio

51%

55%

57%

49%

42%



Mobile ads

42%

48%

45%

31%

20%



Online banner

36%

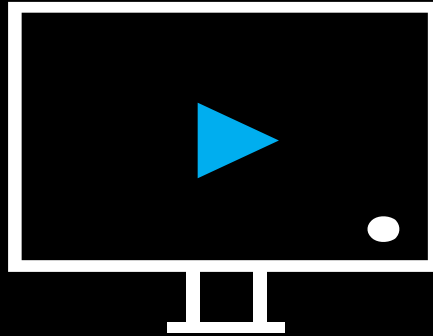
47%

43%

34%

25%

SUSTAINABILITY & ADVERTISING



TV ads highlighting a company's commitment to positive social and/or environmental impact are **influential in the path to purchase** for 34% of global respondents.

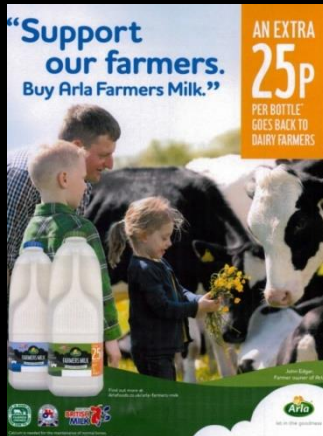
BEST PRACTICES OF ADVERTISEMENT WITH FOCUS ON SUSTAINABILITY

BEST PRACTICES - MILK

Arla TV commercial



Arla print ad



*Building
a story*

Arla print ad



BEST PRACTICES - BANK

„Sustainability is easy.“



Nachhaltigkeit ist einfach.

Mit einer festverzinslichen Geldanlage – ganz ohne Kursrisiko.

Mit nachhaltigen Sparkassensparen unter unserem Label ist es möglich, ein Impuls für Nachhaltigkeit in der Region zu setzen. Sie unterstützen die Finanzierung von förderungswürdigen privaten, gewerblichen und kommunalen Vorhaben und leisten einen Beitrag zur Förderung nachhaltiger Umweltprojekte.

Wenig um Geld geht
Sparkasse Hannover

sparkasse-hannover.de

Lao Yern, Toul Kraboe Village, Cambodja, kruidenteler dankzij een microkrediet

Wat levert beleggen eigenlijk op?
Kies voor een ander rendement met de ASN Bank

Natuurlijk belegt u voor een aantrekkelijk financieel rendement. Maar beleggen bij de ASN Bank is ook goed voor mens en natuur. In het bijzonder voor ondernemers als Lao Yern, die dankzij een microkrediet kan werken aan een betere toekomst. Als u nu minimaal € 2.000 in een van de zeven ASN Beleggingsfondsen stort, dan steunen wij mede namens u de opleiding van ondernemers in ontwikkelingslanden. En u krijgt een Oxfam Novib-cadeaubon ter waarde van € 20. Kijk voor meer informatie en de voorwaarden op eenanderrendement.nl. Of bel gratis 0800-0380 (ma/vr).

€ 20 Oxfam Novib-cadeaubon voor u
Stort nu minimaal € 2.000 in een of meer van de zeven ASN Beleggingsfondsen en shop gratis in de winkel van Oxfam Novib.

ASN BANK voor de wereld van morgen

OXFAM Novib SAMENWERKEN OM HET ZILVERE

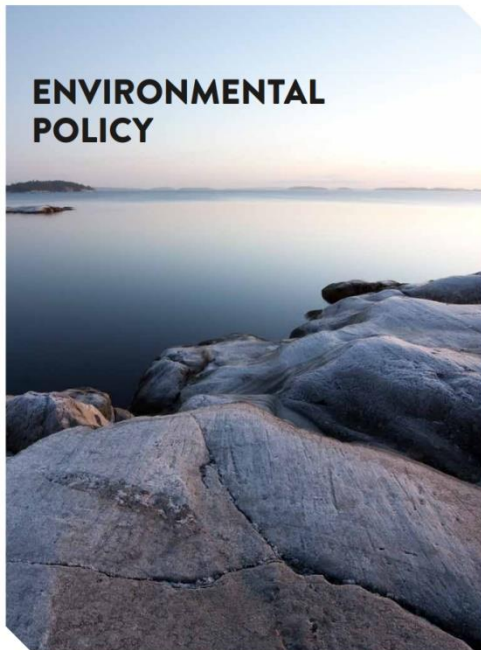
De ASN Bank is gereguleerd door de Autoriteit Financiële Markten en heeft een vergoeding van De Nederlandsche Bank N.V. De aandelen van beleggers zijn besloten. Het is mogelijk dat de waarde van de aandelen lager is dan de nominale waarde. Voor meer informatie over het beleggen, zie de website van de Autoriteit Financiële Markten (AFM) www.afm.nl of de website van de ASN Bank www.asnbank.nl. Het is mogelijk dat de waarde van de aandelen lager is dan de nominale waarde. Voor meer informatie over het beleggen, zie de website van de Autoriteit Financiële Markten (AFM) www.afm.nl of de website van de ASN Bank www.asnbank.nl.



„What does ‘investing’ actually deliver?“

BEST PRACTICES - TOURISM

Sustainability on website



ENVIRONMENTAL POLICY

Scandic

Scandic

Scandic Hotels Group

- ABOUT US
- INVESTORS
- CORPORATE GOVERNANCE
- MEDIA

Home / About us / Sustainability

ABOUT US

- In brief
- Vision & mission
- Our business
- The Nordic hotel market
- Customers
- Hotel portfolio
- Sustainability
- Organization and management >
- Business development >
- Awards and honors
- Our history

CONTACT



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SVP HR & Sustainability
+46 8 517 350 00



SUSTAINABILITY

"Hang up your towel" is one of Scandic's innovative ideas within sustainability

In 1993, Scandic decided to become a leader in sustainability and drive the development of sustainability in the hotel sector. It was at Scandic that the idea to "hang up your towel if you want to use it again" was formed – an idea that is now the standard in the hotel industry around the world.

TAGS

- code of conduct
- code of conduct for suppliers
- policies
- policy
- Sustainability



BEST PRACTICES - TOURISM

The screenshot shows the KLM website's 'All about sustainable travel' page. The page features a navigation bar with links for Home, Plan and Book, Prepare for travel, Customer Support, Destinations, Flying Blue, and KLM for business. The main content area is divided into several sections:

- Fly CO2 Neutral**: A section with a link to 'All about sustainable travel' and 'KLM Takes Care'.
- All about sustainable travel**: A main heading with a sub-heading 'We are always trying to reduce the effect our air travel has on the climate. You can also help by flying CO2 neutral with our CO2ZERO compensation service.'
- Air travel and the climate**: A section explaining that air travel creates welfare and jobs worldwide but also results in CO2 emissions, and that KLM actively works to reduce, control, and compensate for these emissions.
- What we do**: A section stating that as a result of measures in operations, KLM is among the 'best-in-class' for fuel efficiency, thereby emitting less CO2. It includes a link to 'Our plan of action'.
- What can we do together?**: A section with a photo of an airplane flying over palm trees and a text box stating 'Good news! You can neutralize your effect on climate change each time you fly.' It includes a link to 'Read more about compensating CO2 together'.

On the right side of the page, there are social sharing options, a 'Print this page' button, and a 'Frequently asked questions' section with a 'Find an answer' link.

Sustainability on website



“The findings suggest a gap in product availability **BUT a lack of inventory (perceived or real) is an opportunity for growth!”**

FOUR WAYS TO WIN WITH SUSTAINABILITY



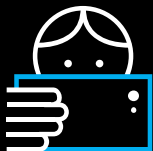
Emotional communication and easy language



Highlight brand trust and commitment to social and environmental impact to drive purchases

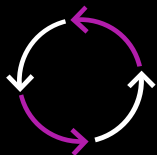


Support your efforts with marketing



Focus on the growing interest from millennials and generation z

FIVE WAYS TO CONNECT WITH MILLENNIAL MINDSETS



Use the network



Add benefits



Give control



Share your story



Custom ads



THANK YOU!

FOR MORE INFORMATION

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The background of the image is a vibrant blue with a 3D, wavy, undulating texture that resembles water or a topographical map. The waves are layered, creating a sense of depth and movement. In the center, the word "nielsen" is written in a clean, white, lowercase serif font. Below the text, there is a horizontal line of eight white dots, which is a classic element of the Nielsen brand identity.

nielsen