

## Affiliate Window Sector Spotlight

### The Travel Sector

#### Introduction:

The UK Travel Sector has enjoyed excellent growth in Q2 2015 at the third highest rate the industry has seen in six years according to the latest [IMRG Capgemini e-Retail Index](#). This is coupled with [Barclaycard spend reports](#) showing travel expenditure was up 8.4% for Q2 against 2014, with hotels growing by 6.9% and flights improving 4.1% for the same period. Travellers are also staying for longer with stays rising by 10.8% for January to March 2015 versus last year and on holiday expenditure increasing to £6.8 billion according to the [ONS](#).

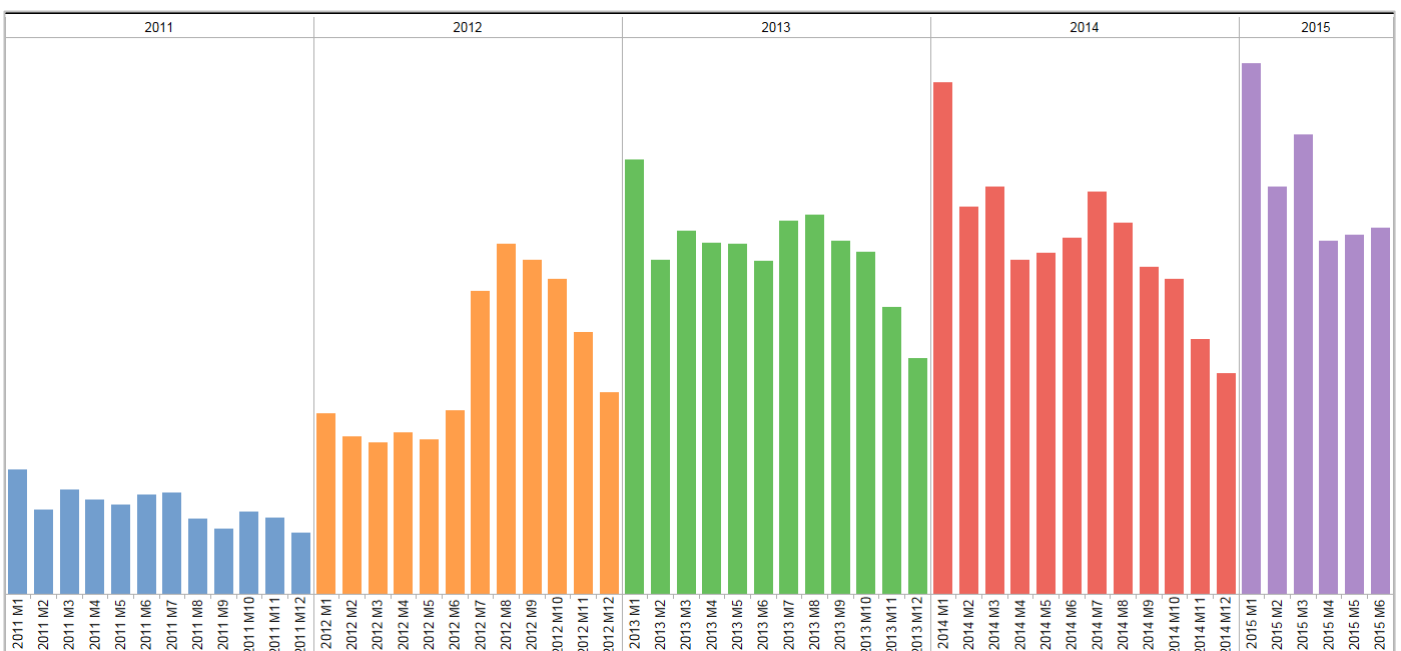
Looking specifically at Europe, the [BBC](#) reported that 16<sup>th</sup> July 2015 saw the Pound rise to its highest rate against the Euro since 2007, which will also likely have a strong influence on bookings for the rest of 2015. With the current Economic climate in Greece, some Travel advertisers have seen strong performance with discounted prices in the late booking market to Greece and the Greek Islands. [On The Beach](#) have seen 115% increase in late bookings to Greece.

Within the online Travel landscape, mobile devices are increasingly prevalent as a source of traffic and bookings, with tablet and smartphone adoption continuing to rise. An [Expedia Mobile](#) report, recently showed that 3 out of 4 UK travellers now own a smartphone, tablet and desktop in 2015 (up from 1 in 2 in 2014). In spite of this customers still spend over three times longer on travel advertiser websites via desktop than on mobile devices, showing the resilience of desktop in the online Travel sector.

From an affiliate perspective, we've seen steady performance across the sector with revenue up 6% in spite of traffic declining in the sector around 26% year to date, showing considerably higher conversion rates within affiliates. Mobile devices (smartphone and tablet) are also growing within the affiliate travel sector, accounting now for 40% of total affiliate traffic. AOV has continued to grow each year since 2011, which may grow further as consumer holiday spends across the board, as the ONS report shown above suggests.

#### Trends over time:

The graph below indicates the monthly revenue trend for Affiliate Window's Travel advertisers:



## Key Performance Indicators

### Average Order Value (AOV)

AOV has grown steadily across the travel sector, rising from £171.76 in 2011 to £264.04 in 2015 (YtD). AOV was at a 5 year high of £296.40 in January 2015.

### Conversion rate

The total conversion rate has also grown consistently over the past three years from 4.68% in 2013 to an average of 7.12% in 2015 to date. All device types have increased with smartphone growing to 2.46% in 2015 from 2.19% in 2013.

### EPC and commissions

Typically seeing higher than network average AOVs in the sector, the travel vertical has also seen continued growth in EPC from £0.34 in 2013 to an average of £0.63 this year. Average commissions have also improved to £8.82 this year from £7.38 in 2013.

### Mobile Performance

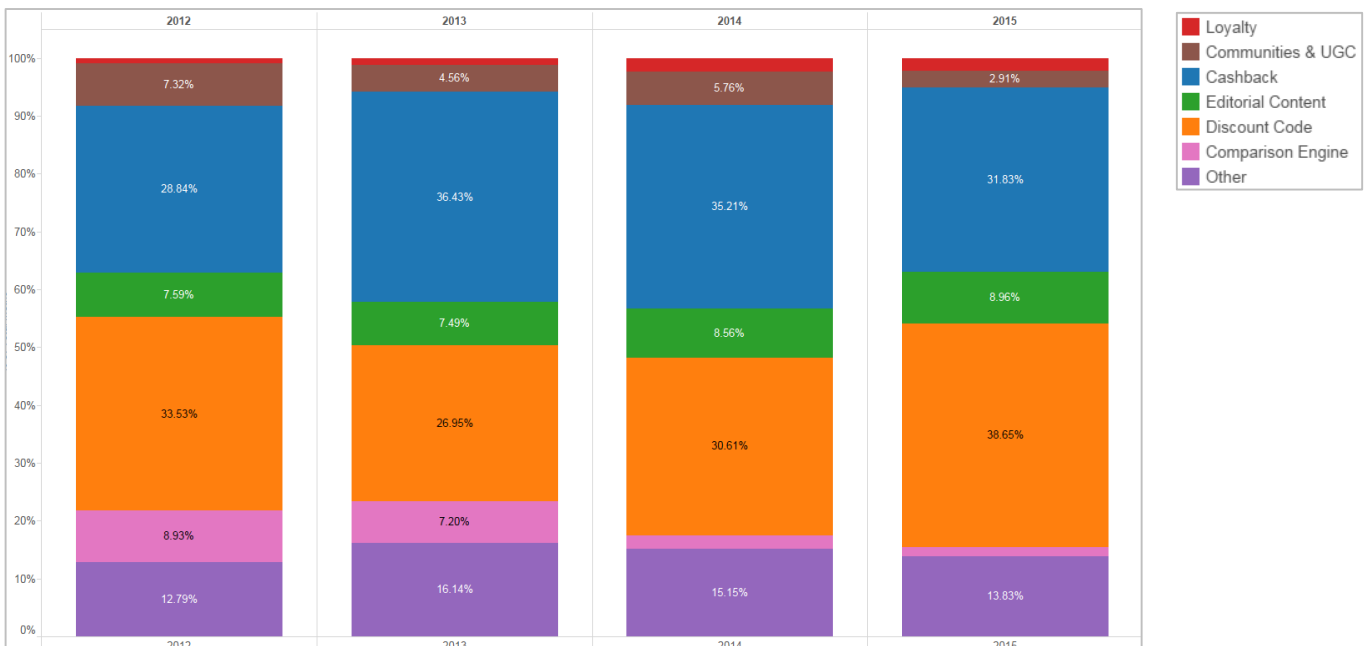
From a traffic perspective mobile devices (smartphone and desktop) now account for 40% of total traffic in 2015 compared to 22% back in 2013. Mobile bookings are rising too, with smartphone accounting for 6.5% of bookings in 2015 (4.49% in 2013), and tablets now taking 16.4% of the booking share (12.72% in 2013). Looking specifically at smartphones, it's interesting to see Android devices now holding 22.1% of smartphone bookings, versus 77.07% for iPhones – in 2013 we saw 83.88% from iPhones and 11.54% from Android devices.

### Tools for affiliates

Typically most Travel programmes will offer affiliates a meta feed, standard banner creative, voucher codes, and text links. Some programmes also have APIs and booking widgets for affiliates.

### Affiliate mix

In the chart below, we've broken out the percentage of affiliate's transactions by publisher type. Cashback has seen a slight drop against 2014, whilst discount code sites have increased to the highest share of total transactions this year. Editorial content sites have maintained their share, whilst Communities and other affiliate types including sub-networks have seen a gradual drop.



**Finally, we've put together some sector specific sites to consider for the Travel sector:**

Affiliate ID	Relevant URL
219457	<a href="http://www.cottages-to-rent.co.uk">http://www.cottages-to-rent.co.uk</a>
226027	<a href="http://italy-cycling-guide.info">http://italy-cycling-guide.info</a>
239793	<a href="http://www.arrivals-departures.co.uk">http://www.arrivals-departures.co.uk</a>
197537	<a href="http://www.holidaysbycycle.com">http://www.holidaysbycycle.com</a>
165728	<a href="http://www.headforpoints.com">http://www.headforpoints.com</a>
230413	<a href="http://www.whatsonstage.com">http://www.whatsonstage.com</a>
74113	<a href="http://www.ferryto.eu/">http://www.ferryto.eu/</a>
222449	<a href="http://twomonkeystravelgroup.com/">http://twomonkeystravelgroup.com/</a>
215443	<a href="http://goingawesomeplaces.com/">http://goingawesomeplaces.com/</a>