The eDreams ODIGEO European Traveller Insights 2017 Report
There has been a 29% rise in the amount of long-haul trips booked by European travellers since 2016.

Compared to last year, trips lasting more than 21 days have risen in popularity with European travellers by 22%.

On average, Europeans arranging to go away in January book just 26 days in advance of travel.
Introduction
by Dana Dunne, CEO of eDreams ODIGEO

Welcome to our European Traveller Insights report for 2017.

Last year we served over 18 million travellers around the world. Our position as Europe’s leading online travel company gives us a unique insight into the trends that are affecting both travellers and the travel industry. In this, our second annual Traveller Insights report, we look at how the changing global environment of the last 12 months has caused new trends in the travel market and what that means for the year ahead.

Currency fluctuations are benefitting travellers from some markets who are taking advantage of changes to exchange rates to stretch their holiday funds even further, and the tourism industries in countries like the UK are benefitting as a result. In particular, we’ve seen an increase in travellers choosing low-cost carriers for long-haul flights, as airlines have opened up new low-cost long-haul routes. eDreams ODIGEO exists to help travellers compare their options and book the best and most convenient deals for them. The additional choices presented by these new market entrants are welcome news to consumers who are increasingly looking to long-haul destinations as one of a number of trips they will take in a year.

In last year’s report our 2016 data showed that travellers were increasingly choosing to fly out and back with different airlines. This trend continues in 2017, with an increase in travellers who are using eDreams ODIGEO to create convenient trips by combining different airlines, rather than flying with one provider for all their individual journeys.

We’ve also seen that several large European cities which have suffered terror-related incidents in recent years have welcomed a greater number of bookings from Europe in 2017 so far, suggesting that traveller numbers have remained resilient.

The drive toward mobile technology continues and we’ve seen significant growth in the number of consumers who are booking travel through their mobile devices. In response, we’re pursuing a ‘mobile-first’ development policy to ensure we’re providing the best possible customer experience through mobile platforms and through our app. Mobile phones are the ultimate travel companion and we’re broadening the range of services we can offer to travellers through their devices to support them at every stage of their journey.

There are many challenges facing consumers in the coming years, but what stands out from our report is that people’s passion for travel remains. Our job is to continue to challenge ourselves to find new ways of helping our customers fulfil that passion and explore new corners of the world.

Dana Dunne
CEO, eDreams ODIGEO
About eDreams ODIGEO

eDreams ODIGEO is Europe’s largest online travel company. We have built a highly successful travel business over the past 17 years with well-known global brands including eDreams, GO Voyages, Opodo, Travellink, and the metasearch engine Liligo. We offer the best deals in flights, hotels, cruises, car rental, holiday packages, travel insurance and much more to make travel easier and better value.

Number 1 flight retailer in Europe, with growing market share

Offering customers over 155,000 flights and around 1.5 billion hotel options

Over 18 million customers

143 point of sales on both desktop and mobile
43 countries where we operate
37% flight bookings via mobile devices

1 billion monthly searches on eDreams ODIGEO platforms

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1 Based on 2017 Q2 data for eDreams ODIGEO.
Increased appetite for travel from savvy consumers

Growth in the travel and tourism sector outpaced the global economy for the sixth consecutive year in 2016, rising to a total of 10.2% of world GDP. Throughout 2016 and 2017 a number of challenging headwinds emerged but the sector has remained resilient, weathering currency fluctuations, political uncertainty and terror incidents. Despite these factors, Europeans remain eager to travel both returning to perennial favourites such as London and Paris, as well as exploring further flung destinations such as New Delhi and Kathmandu.

The future looks promising for the sector as forecasts over the next ten years predict growth rates of 3.9% annually. However, concerns over currency fluctuations and interest rates are already affecting consumer spending habits, and many travellers will be looking for ways to get more bang for their travel buck. Increasingly, online travel agencies are well positioned to ensure consumers are receiving the best possible deal. eDreams ODIGEO enables travellers to book bespoke packages of flights, accommodation and other services that save money and meet the passenger’s precise need.

The most popular destinations for European travellers in 2017

- London +24%
- Berlin +10%
- Barcelona +4%
- Lisbon +17%
- Madrid +7%
- Paris +4%
- Porto +12%
- Amsterdam +16%
- Rome =0%
- Mallorca +19%

City breaks to London have remained as popular as ever with European travellers, as the UK capital retains the top-spot by volume in 2017. In fact, according to flight passenger volume for 2017, it was a very good year for UK tourism overall, with foreign visitors up 8% on last year.\textsuperscript{3} The fall in the value of the pound since the Brexit referendum in 2016 appears to have been a key driver of growth, as visitors to the UK can now get more for their money. This should have a positive economic benefit in the UK as the World Travel and Tourism Council predicts that money spent by foreign visitors in the UK will increase by 6.2% for 2017.\textsuperscript{4}

Large cities that have suffered terror-related incidents in recent years, including Paris, London, and Berlin have welcomed a greater number of bookings from Europe in 2017 so far. London has risen 24%, Berlin by 10% and Paris by 4%, compared to 2016. This data suggests that traveller numbers have remained resilient, with no signs of a significant long-term impact to the numbers visiting these major European cities for 2017.

London has proved to have a particular draw for travellers from Italy (up 10%). Meanwhile, Paris is particularly favoured by the Portuguese (up 21%), while Berlin proves popular with German travellers (up 52%).

\textit{In line with growth across the travel sector, there has been a 13% increase in short-haul flights booked by European travellers so far this year compared with 2016, accompanied by a significant 29% increase in long-haul flights booked by Europeans for the same period}\textsuperscript{5}.

Additional routes and the rise of low-cost long-haul travel options appear to have contributed to these increases.

\textsuperscript{3} VisitBritain, \textit{Positive growth forecast for inbound tourism to the UK in 2017}.
\textsuperscript{4} World Travel & Tourism Council.
\textsuperscript{5} This data excludes domestic flights & may contain more than 1 passenger per booking.
Destinations on the rise in 2017

Top growth destinations for European travellers on short and medium-haul continental trips

Emerging cities and destinations soaring in popularity

Travellers looking to enjoy a city break or experience a new destination have never had more options. Additional routes added by budget airlines have provided travellers with the opportunity to explore smaller cities within Europe not historically known as tourist hotspots, enabling these places to compete with major cities such as London, Paris and Rome.
Autonomous Portuguese region the Azores has seen a big boost to tourism with two locations showing impressive growth - Terceira Island and Ponta Delgada. According to the regional Azorean government the boost in visitor numbers is due to investment in tourism and the introduction of new low-cost flights to and from the United States, the United Kingdom, Germany, Spain and Portugal.6

Podgorica, the capital city of Montenegro, Gdansk in Poland and Salzburg in Austria have also enjoyed big increases in travellers in 2017, with passenger arrivals up 83%, 77% and 75% respectively compared with last year. These destinations are all benefitting from an increased number of low-cost airlines offering flights from across Europe. Gdansk has become a hotspot for Norwegian travellers in particular, with a rise of 190% in flights booked by these travellers, largely due to a number of low-budget airlines offering rock bottom prices for flights from Oslo.

6 The Regional Secretary of Tourism and Transport and Official Azorean Government press releases.
Affordable long-haul flights opening up the world for travellers

Affordable long-haul air travel has taken off over the last few years with budget airlines such as Level, Norwegian Airlines, WOW Air and Eurowings providing stiff competition to more established long-haul airlines.

Our data suggests that a competitive price was of paramount importance to European passengers travelling long-haul in 2017, with an increasing number of cheaper long-haul routes introduced over the last year. Looking at the top 100 long-haul destinations booked by Europeans, the cost of return long-haul flights has decreased by 7% in the last year - from 610 euros on average in 2016 to 569 euros on average in 2017. Portuguese, Italian and German travellers are particular fans of using low-cost carriers for long-haul trips, with passenger numbers up 19%, 16% and 17% respectively on the same period last year.

Punta Cana in the Dominican Republic has been one beneficiary, with a 147% increase in flights booked compared with 2016, corresponding with a 24% drop in the cost of flights over this period.

New air routes from European cities to Punta Cana have been added by both Level\(^7\) and Eurowings\(^8\) this year, making the Caribbean island more accessible to tourists than ever before. Spanish travellers, in particular, have been taking advantage of these cheaper fares, with a 120% increase in Spanish travellers compared with 2016.

Cheaper travel has also led to an increase in tourists travelling to Asia, with flights booked to both New Delhi (up 103%) and Singapore (up 79%) increasing significantly on 2016, with the cost of flights to these destinations dropping by 6% and 7% respectively. Air India is boosting the number of its flights to Europe with several other European and Indian carriers reportedly considering new routes to India, suggesting that figures for travel to India may rise further in the future. In Singapore, Changi Airport welcomed four new airline partners and eight new city links in 2016\(^9\), while low cost carriers like Jetstar, Scoot and AirAsia are increasing capacity in a boost to Singapore’s position as a regional hub.

Finally, recent information from the Colombian Tourism Ministry supports Bogota’s position in our list, revealing that visits to Colombia grew by 18.9% in September 2017 compared to the same month last year.\(^{10}\) Perhaps this increase is due to the 2016 Olympics, that took place in August 2016 in Rio de Janeiro, encouraging travellers to take an extended trip to see more of South America.

Other destinations in our list that have seen significant drops in the cost of long-haul incoming flights in the past year include Praia (14% drop), Havana (19% drop) and Cape Town (9% drop).

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\(^7\) International Airlines Group.  
\(^8\) Eurowings.  
\(^9\) Changi Airport Group figures.  
With holiday hotspots changing year on year, it’s tricky for consumers to know whether they are part of a trend towards a newly popular destination or swimming away from the traveller tide.

Looking at the trips that European travellers have booked in 2017 for departures in 2018, compared to those booked in 2016 for trips in 2017, we have used eDreams ODIGEO data to discover the destinations that have recently caught holidaymakers’ attention. These figures highlight that the following cities are likely to receive a boost in tourism figures in 2018 driven by both ‘push factors’ such as increased availability of low-cost long-haul flights and ‘pull factors’ such as key sporting events and clever investment by local governments.

Top 20 predictions: Destinations with the biggest forward-booking growth in 2018

- San Francisco: +158%
- Los Angeles: +93%
- Miami: +99%
- Ponta Delgada: +81%
- Edinburgh: +78%
- Istanbul: +138%
- Tel Aviv: +101%
- New Delhi: +103%
- Colombo: +85%
- Singapore: +163%
- Johanesburg: +156%
- Cape Town: +113%
- Ibiza: +83%
- Malta: +131%
- Palma de Mallorca: +83%
- Seville: +81%
- Athens: +110%
- Marrakech: +86%
- Funchal: +114%
- Tokyo: +146%
Cheap long-haul flights are pushing up demand

From our data, we can see that long-haul journeys are set to be popular next year, possibly linked to the rise of low-cost airlines offering long-haul flights and other airlines offering cheaper fares. According to the Centre for Aviation, there have been 15 long-haul, low-cost airlines launched since 2012. IAG became the seventh full-service airline group to launch a long-haul low-cost operation in June 2017 with the launch of Level, while Air France-KLM is planning to launch a long-haul, low-cost airline by the end of this year.\(^{11}\)

The fact that San Francisco, Miami and Los Angeles make the top destinations list is no coincidence. Across Europe, there have also been murmurings of a transatlantic price war, with Icelandic firm WOW Air offering flights to the States for less than £100. Our data shows that San Francisco, Miami and Los Angeles have seen a drop in the cost of flights by 19%, 12% and 17% respectively this year. Indicative of this race to win on flight costs from Europe to America, low-cost carrier Norwegian Airlines has launched the cheapest flights from the UK and Ireland to America from as little as £69 one way or £138 return.

Perhaps 2018 is set to be the first year that low-cost long-haul travel is commonplace across the globe.

Large events and savvy policies are enticing visitors

Singapore

One of the highlights in Singapore’s event calendar is the Grand Prix, which will take place next September and has now been extended to run until 2021, possibly one of the factors that helped the island to claim the top spot as the most popular destination for 2018.

There is also speculation that Singapore is becoming a regional hub for European passengers travelling on to other destinations within Asia. Earlier this year, Singapore-based low-cost airlines Scoot and Tigerair merged to operate under a single brand, giving travellers greater access to a wider range of short-haul flights in the region.

In addition to this, the opening of a new terminal at the Changi Airport may make it easier for people to visit Singapore in the future, with claims that the new facility has the potential to welcome 800,000 more visitors to the country. This builds on the record passenger numbers at Changi Airport in 2016 - 58.7 million passengers, a growth of 5.9% year-on-year. According to their own figures, the airport is on track to receive 60 million passengers in 2017.\(^{12}\)

Tokyo

Successful government tourism policies appear to have played a key role in boosting traveller numbers to Tokyo. Shinzo Abe, the Prime Minister of Japan, has recently been congratulated by the World Tourist Organisation for the government’s commitment to the development of tourism. The country’s Action Program for Tourism focuses on infrastructure, visa facilitation and technology, and is helping Japan to attract increasing amounts of visitors.

\(^{11}\) Centre for Aviation, June 2017.
\(^{12}\) Changi Airport figures.
Booking behaviour of European travellers in 2017

Consumers seize the opportunity to build personalised trips

At eDreams ODIGEO, we understand that disruptive technology is essential for empowering consumers to create tailored travel plans, so they can get the best prices and the greatest convenience on offer.

As part of our efforts to enable our consumers to make expert choices, we turn the traditional travel booking model on its head by allowing travellers to split their journey across multiple airlines.

Tourists are continuing to take advantage of the possibility of flying with multiple carriers and the wider choice on offer when it comes to choosing airlines.

We have seen over a third (36%) of our European customers fly out and back with different airlines in 2017, and this amount has increased by 6% since last year.¹³

Putting technology to work on behalf of consumers enables customers to bag the best deal.

Certain Scandinavian countries show a particular increase in the number of travellers choosing to fly with different airlines for the same trip, compared to last year. In 2016, 23% of Norwegian travellers booked with different airlines for the same trip and this has almost doubled to 44% in 2017. In Denmark, the increase is from 24% to 39%, and in Sweden it has risen from 19% to 43%.

Another sign of increased consumer demand for tailored trips is a rise across several markets in bookings for dynamic packages (bookings that include both a flight and hotel). These are trips built by the customer to create their own preferred combination of flight, accommodation and extra services such as car rental. Dynamic packages offered by eDreams ODIGEO’s platforms create the best value option for consumers, providing discounts of up to 30% that aren’t available when booking these same options separately.

Overall, there has been a 15% growth in the number of European travellers booking a short break consisting of a flight and hotel, when planning trips that will last between two and six days. Leading the pack, the number of German passengers choosing to tailor a trip of this length by building their own dynamic package has risen steeply over the past year, with bookings up 108% since 2016. Spain and Portugal also saw notable increases in people building their own packages from scratch. Spain saw a 24% increase in flight and hotel bookings lasting two to six days, while Portugal rose by 21%, compared with 2016 figures.

¹³ This rise is based on data from seven European markets - the UK, France, Italy, Germany, Spain, Norway, Finland, Denmark, Sweden, Portugal.
New year sales help travellers beat the winter blues

During recent years, there has been an expectation for airlines to hold a major sale in January.\textsuperscript{16} Across Europe, the hastiest bookings are made for trips taken at the beginning of the year, perhaps to coincide with these deals.\textsuperscript{15}

The average European traveller leaves an average of just 26 days in advance of their travel date to book a jaunt in January and February. This trend continues for March trips, where people have left an average of only 29 days to book last minute trips.

Our data shows that Portuguese and Italian passengers leave the smallest amount of time to book, with an average of just 21 and 23 days respectively across January, February and March, while UK holidaymakers leave the widest window among Europeans but still only book 36 days in advance.

The country-specific trend for certain markets making more last-minute bookings continues for trips later in the year. Portuguese and Italian passengers leave the least amount of time to secure summer escapes, booking just 49 days and 51 days on average in advance, respectively, for trips taken in June, July and August. For summer breaks, Spanish and German travellers leave the longest time to plan, booking an average of 49 and 52 days in advance, respectively.

In contrast, journeys made at Christmas are, unsurprisingly, planned a long time in advance, with Europeans typically booking over four months before departure to grab the best offers.

Trips over two weeks long are increasingly common

This year has seen a marked rise in the number of trips booked by Europeans that are two weeks or longer in length.

Flights booked for trips lasting between 14 and 20 days have risen by 21% since 2016, and bookings for trips lasting for more than 21 days have risen by 22%.

One possibility is that this trend may in part be linked to the rise in availability of lower-cost long-haul travel options, which may be encouraging passengers to stay longer as they are travelling further afield.

Germany, in particular, has seen a huge rise in flights booked for trips lasting more than 21 days, with over three times the amount of bookings compared to last year (up 230%). German flight bookings for trips lasting between 14 and 20 days in 2017 have also more than doubled (up 157%).

\textsuperscript{14} The media and comparison websites often collate lists of new year sales for travellers keen to book a break. Examples include: The Guardian and Skyscanner.

\textsuperscript{15} This average advance booking time is based on data from European markets in which eDreams ODIGEO operates (including the UK, France, Italy, Germany, Spain, Portugal). For this section, Scandinavian markets are not included.

\textsuperscript{16} These proportions are based on data from European markets in which eDreams ODIGEO operates (including the UK, France, Italy, Germany, Spain, Portugal). For this section, Scandinavian markets are not included.
Destination choice does not depend on group size

London is popular with Europeans travelling in groups of all sizes, claiming top place in 2017 for bookings of pairs, and groups of three to six people, while coming in second place for groups of more than six travellers.

On the whole, the size of the group has not had a dramatic impact on destination choice in 2017. In fact, the top five destinations for pairs, groups of three to six people, and groups of more than six travellers all included London, Barcelona, Mallorca, and Lisbon.

Top 10 destinations (2017) by group size:
Over the last few years, we’ve seen increasing numbers of consumers moving away from using desktop computers and instead using their mobile devices to research and book travel. That trend continues into 2017 with the use of mobile devices to make bookings increasing across all our markets.

Recent consumer research commissioned by eDreams ODIGEO revealed that the amount of Europeans booking their trips through online travel agencies on a mobile device has more than doubled over the last decade, having risen by 124%\(^7\).

The countries which have seen the steepest growth in mobile device bookings over the last 10 years are Sweden and Portugal. Sweden showed the biggest increase, across a selection of the biggest European markets, with mobile or tablet bookings rising 283%, while Portugal also showed a particularly large increase, up 229%.

### Growth in bookings with an online travel agent via a mobile device

<table>
<thead>
<tr>
<th>Country</th>
<th>% of people booking travel on mobile today (2017)</th>
<th>% growth over the decade</th>
<th>% of people booking travel on mobile 10 years ago (2007)</th>
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<tbody>
<tr>
<td>Sweden</td>
<td>23%</td>
<td>283%</td>
<td>6%</td>
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<tr>
<td>Portugal</td>
<td>23%</td>
<td>229%</td>
<td>7%</td>
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<tr>
<td>Spain</td>
<td>14%</td>
<td>164%</td>
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<td>Italy</td>
<td>14%</td>
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<td>Germany</td>
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<td>UK</td>
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<tr>
<td>France</td>
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<td>45%</td>
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</table>

\(^7\) OnePoll research undertaken in May 2017, polling 11,000 European consumers across 7 countries UK, France, Germany, Italy, Spain, Portugal and Sweden.
The challenge for travel companies is to ensure they’re taking a ‘mobile first’ approach to development, rather than trying to translate a desktop booking experience onto a mobile device. eDreams ODIGEO has invested significantly in a mobile-focussed development team and a continual programme of user experience testing to ensure that our mobile booking platform and our mobile app are providing the best possible experience for our consumers.

As a result, we’ve seen growth in mobile bookings that outpaces that of other online travel agencies.

For flight bookings the industry average is 24%\(^\text{18}\) and eDreams ODIGEO customers on average use mobile devices 37%\(^\text{19}\) of the time. This is an increase of 27% year-on-year from the same period in 2016.

We’ve also noted particularly high rates of customer retention through our app that outstrips our other channels. Data shows that repeat customers are twice as likely to book their travel through mobile apps, which is driving the growth of this channel.\(^\text{20}\)

As consumers increasingly use their mobiles as their travel companions, storing boarding passes, hotel confirmations and train tickets, they expect travel apps to deliver timely and relevant support at every point of their journey. To meet this expectation, we have introduced tailored alerts, such as flight timing updates and luggage collection information to our apps, as well as city guides for top destinations, to allow customers to take advantage of their smartphone’s ability to become the ultimate travel companion.

As devices become more sophisticated and now that mobile roaming charges are abolished within the EU, providing ongoing travel support to customers via their mobile devices has become more important than ever before.

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\(^{18}\) Phocuswright’s European Online Travel Overview Twelfth Edition - December 2016.

\(^{19}\) Based on 2017 Q2 data for eDreams ODIGEO.

\(^{20}\) eDreams ODIGEO report - Mobile Devices: the ultimate travel companion.
In Summary

Data from 2017 encouragingly suggests that European travellers’ enthusiasm for exploring continues to go from strength to strength, enduring unsettling domestic and international events.

The travel industry continues to evolve at speed, and our data shows that European passengers are primed and ready to make the most of these developments. We have seen that airlines introducing increasing numbers of affordable long-haul flight options has already had a significant positive impact on traveller choice. Also, people are capitalising on the convenience offered by online travel agencies and mobile booking platforms to book last-minute escapes and build increasingly personalised trips.

At eDreams ODIGEO, we understand the importance of our technology empowering consumers to take greater levels of control over every aspect of their travel – and 2017 has proven this to be more pertinent than ever before. As we head into 2018, we will continue to challenge ourselves to harness the latest technology to deliver even more options, greater value and better service for our customers.

Methodology

The eDreams ODIGEO European Traveller Insights 2017 Report is based on the company’s online travel agency brands (eDreams, Opodo, Go Voyages and Travellink) data from all European bookings made via the eDreams ODIGEO platform between two timeframes: January 2016 to September 2016, and January 2017 to September 2017.

Therefore, findings referenced that are based on ‘2016 data’ are based on data from between January 2016 and September 2016, and findings that are based on ‘2017 data’ are based on data from between January 2017 and September 2017. Unless otherwise specified, the bookings made are for travel anytime.
About eDreams ODIGEO

eDreams ODIGEO is one of the world’s largest online travel companies and one of the largest European e-commerce businesses. Under its leading online travel agency brands – eDreams, GO Voyages, Opodo, Travellink, and the metasearch engine Liligo – it offers the best deals in regular flights, low-cost airlines, hotels, cruises, car rental, dynamic packages, holiday packages and travel insurance to make travel easier, more accessible, and better value for the more than 18 million customers it serves across 43 markets. eDreams ODIGEO is listed in the Spanish Stock Market.
eDreams ODIGEO