Mastercard Tourism Insights

April 21, 2018

CARIBBEAN
HOTEL & TOURISM
ASSOCIATION

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Travel and tourism is a significant and growing opportunity globally

One of the world's largest economic sectors, the direct growth rate in this sector has exceeded that of the global economy for the 7th consecutive year in 2017

Travel and tourism drives cross border spend and job creation in the near and mid term, and an increase in capital investment and ancillary industry growth, in the long term.

1. World Travel & Tourism Council, Travel & Tourism Economic Impact 2018 (Global & Asia)

The opportunity...
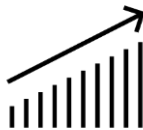
Globally, travel and tourism contributed $8.3T in 2017—10% of global GDP.[1] This is expected to grow to 12% of global GDP by 2028

In the Caribbean, this sector contributed $57B in 2017, and employed 2.4 million people

The challenges...

Global competition is rising as tourism shifts toward emerging economies

Consumers turn to dozens of sites and social media to plan - making it difficult to reach them

Over tourism is degrading our citizen's quality of life and challenging sustainability

The solution...

Insights into the behaviors, sentiments, and spending of consumer segments provides a 360° view of their journey to optimize marketing investments – and to attract the most valuable tourists

Travelers today roam the entire digital landscape in search of travel ideas throughout their journey

Consumers seek digital information from multiple channels — articles, blogs, video, experts, advice from family and friends—to inform their journey. This along with the huge quantity of data generated before and during the trip, makes it confusing for Marketers to identify and focus on the most effective way to touch and influence their target segment.

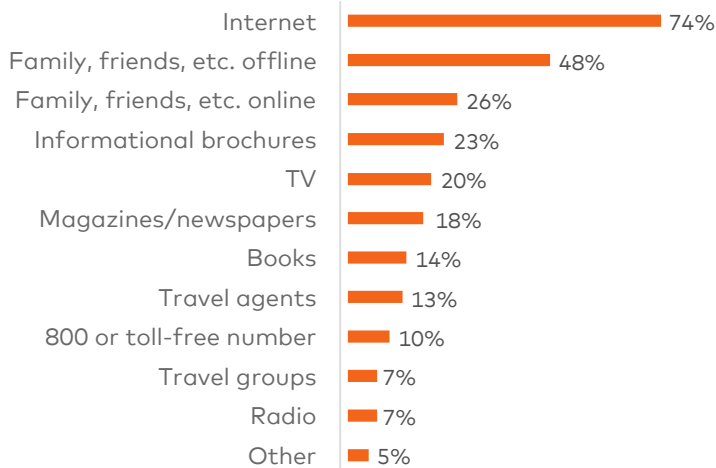1. MillwardBrown Digital, "Traveler Attribution," 2014.
2. ThinkwithGoogle, "The Traveler's Road to Decision," 2014.
3. AMP and BLITZ, Targeting Moments of Need in the New Travel Landscape, 2016.

Tourists visit 38 travel sites to plan their trips in the 5 weeks before the journey[1]

Travel planning sources for Leisure Travelers[2]

Source	Percentage
Internet	74%
Family, friends, etc. offline	48%
Family, friends, etc. online	26%
Informational brochures	23%
TV	20%
Magazines/newspapers	18%
Books	14%
Travel agents	13%
800 or toll-free number	10%
Travel groups	7%
Radio	7%
Other	5%

85%

of leisure travelers decide on activities only after arriving at their destination[3]

New insights and approaches are needed to effectively compete going forward

DMOs must arm themselves with better intelligence to understand changing consumer sentiments and behavior, and design marketing programs that are relevant, raise awareness, and build loyalty.

Use of digital travel tools will continue to accelerate...

Increasing touchpoints and data insights, especially among the young.

84%

of Millennials are likely to plan a trip based on someone else's vacation photos or social media updates[1]

Identifying most valuable visitor segments is key to profitable growth

"...growth of [tourism] revenue was larger than the growth in visitor numbers indicating that the strategy of targeting higher spending, higher quality tourists had been a great success over the past year."

Tourism Authority of Thailand[2]

Industry leaders recognize the need for a new approach

"Destinations around the world are stepping up their game with new tourism attractions and increased marketing investments... traditional marketing is no longer enough to cut through the clutter."

Singapore Tourism Board[3]

1. AMP and BLITZ, Targeting Moments of Need in the New Travel Landscape, 2016.
2. Tourism Authority of Thailand, press release, January 30, 2017.
3. Singapore Tourism Board; Marketing Strategy: of Stories, Fans and Channels, 2016.

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MasterCard has been developing a mastery of data for decades

Our experience can be employed by you. We know data. More importantly, we know technology and framework even better. Our intelligent approach to data makes it organized and actionable

MULTI-SOURCED
- 38+ million merchants
- 22,000 issuers

CLEANSED, AGGREGATED, ANONYMOUS, AUGMENTED
- 700,000 automated rules
- Continuously tested

WHAT CAN

2.5 B+ PAYMENT USERS

& 160 M

TRANSACTIONS/HOUR

MEAN TO YOU?

WAREHOUSED
- 10 petabytes
- 5+ year historic global view
- Rapid retrieval
- Above-and-beyond privacy protection and security

TRANSFORMED INTO ACTIONABLE INSIGHTS
- Reports, indexes, benchmarks
- Behavioral variables
- Models, scores, forecasting
- Econometrics

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360˚ view of the full travel cycle

Dashboard mines intelligence from search engines, Mastercard transactions, social media, and booking data:

Travel search, price, and booking data from Global Distribution Systems (GDS) as well as Google and TripAdvisor.

Mastercard aggregated and anonymized spending data for the Destination Market, including spending profiles for top Origination Markets.

Tourist sentiment data measures the overall level of visitor satisfaction: climatic, security, hotel, and product dimensions.

Covers the full travel cycle pre- to post-trip, for a deeper understanding of different behavioral patterns for a destination.

AI algorithms generate actionable insights.

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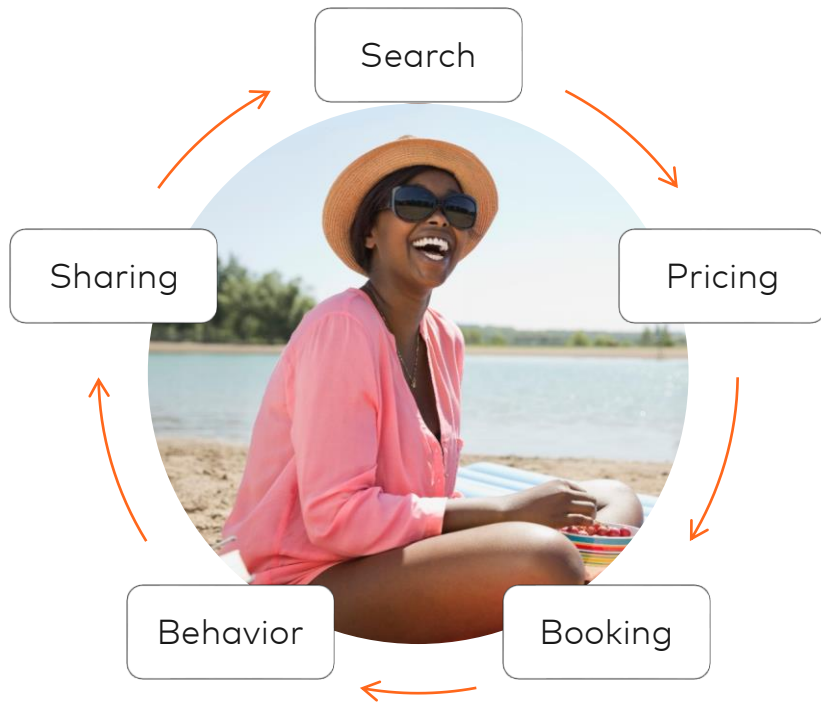
Who is my most profitable visitor and what kind of services should I be promoting to maximize revenues from Tourism?
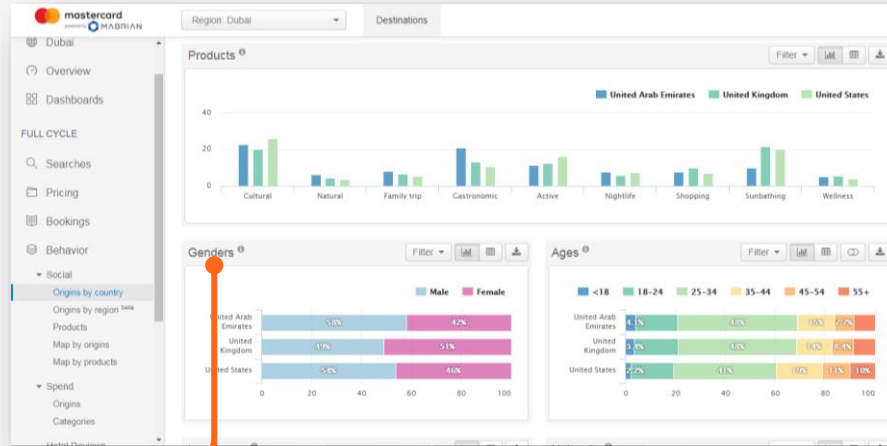

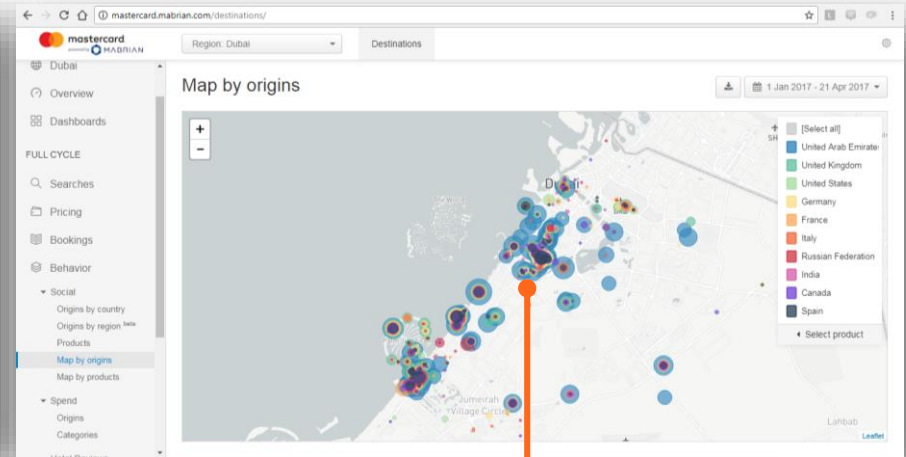How much do people spend on an average in every stay?
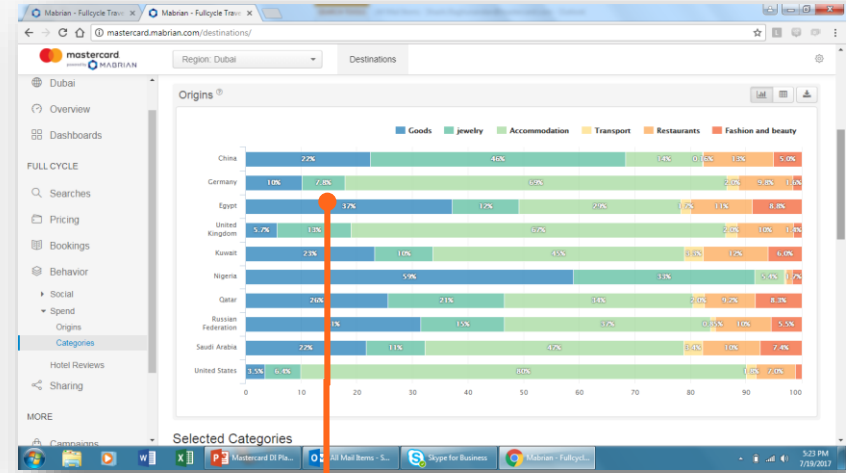
What categories do people from specific origins spend on?

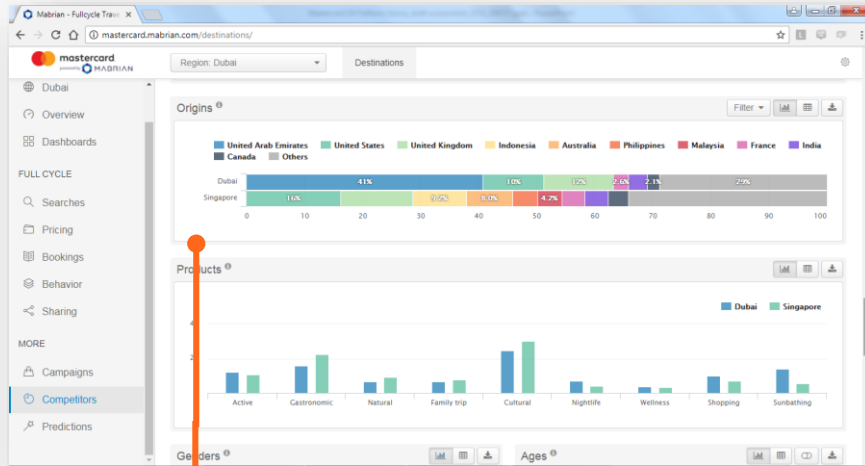# Which attractions do I need to focus on, and what services should I promote?

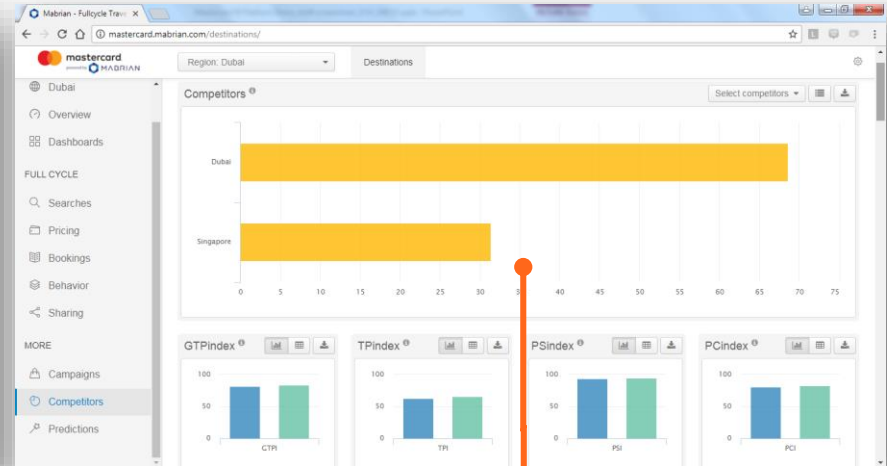What is the demographic from each origin country and what do they enjoy the most?

Where do people from specific origin countries go to in my destination?

How are my competitors performing?

What are the main origin countries and products consumed at my competitor locations?
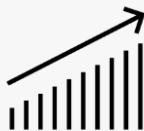
How do tourists perceive my offerings vis-à-vis my competitor?

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# Deeper understanding of visitors can help destinations grow their tourism revenue

Make targeted marketing decisions

- Web dashboard delivers user-friendly insights anywhere, any time
- 360˚view of travel journey
- Greater, targeted reach through more channels raises marketing ROI

Make smarter investments

- View trends over time
- Archive and access historical data
- Adjust marketing investments in response to frequently refreshed data
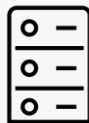
Access accurate, timely data

- Based on aggregated, anonymized consumer spend, plus behaviors, sentiments
- Millions of data points aggregated
- Updated monthly
- Modular pricing fits any budget

Deploy data analytics, expertise, and insights

- Artificial intelligence extracts usable insights
- Benchmark vs. competitors
- Available expertise via Mastercard consulting services

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Consumer sentiments help global destination draw more long-range visitors
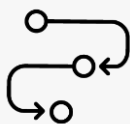
Challenge

The Tourism Agency of a popular global destination wanted to better position the city as a shopping haven during a holiday period.

Big Data dashboard

Our platform gathered more than 2 million mentions from social networks about the destination during this period and compared it to competitive cities.

Deep analysis

Analytics revealed that, contrary to agency assumptions, nearby markets were not the most interested in shopping. Long-range travelers were the best target markets.

Actionable insights

Guided by actual consumer sentiments, the Tourism Agency focused its shopping campaign at the markets our platform revealed showed greatest interest—garnering over 70 million hits.