

DIGITAL TRAVEL SALES STABILIZE ACROSS THE WORLD



According to a report released by eMarketer, digital travel sales are stabilizing all over the world and the consumers are more at ease when shopping on the Internet.

eMarketer is a leading marketing research firm that develops estimates for digital travel sales as a division of worldwide business-to-consumer markets. According to estimates released in January, out of 19 global markets, only three of them - China, Italy and India - will experience a double-digit growth rate by the year 2017. **China is expected to experience a vigorous growth rate in digital travel sales of 20%, Italy 11.5 %, with India following closely with 11.1%.** Spain is the only other country that is expected to experience a growth rate that is higher than 7% in the next three years.

The overall travel share of business-to-consumer ecommerce is the leading indicator of the general stabilization of the ecommerce market. This is mainly because travel tickets are the first items that consumers find easy to purchase on the Internet. Apart from that, travel constitutes a significant fraction of digital ecommerce prior to the adoption of other retail buying methods by the consumers, mainly due to its comparative price when compared to other retail items.

Mobile travel bookings are estimated to increase by more than three times over a period of two years, reaching \$39.5 million by 2015. This will be approximately a quarter of the overall online travel market.

According to eMarketer, only Brazil, Finland, Italy and South Korea will experience a growth rate of their business-to-consumer travel ecommerce from 2012 to 2017. However, South Korea will only see a trivial 0.2% increase while all the other countries in the eMarketer's estimates will lose the travel share over that period.

The Indian market is a perfect example of this trend. According to IMRB International and Internet & Mobile Association of India, 95% of the country's overall online travel market constituted of rail and air tickets. The result of this was the travel share of business-to-consumer market being almost 75%. According to eMarketer estimates, retail will start catching on India by a large amount, with a compound annual growth rate of 43.8% expected from 2012 to 2017. This will take India's travel share to slightly under 55% of the total business-to-consumer ecommerce by the year 2017.

This marketing trend is not only widespread in the upcoming markets. **eMarketer estimates that digital travel sales in the US will increase at a compound annual growth rate of 5.9% from 2012 to 2017,** while its retail ecommerce will grow by 14.3% during the same period. This will see the business-to-consumer ecommerce travel share dropping to 27.6% from 35.9%.

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