



Growth Hacking: Reaching an Online Audience of Tech Savvy Consumers

December 2017

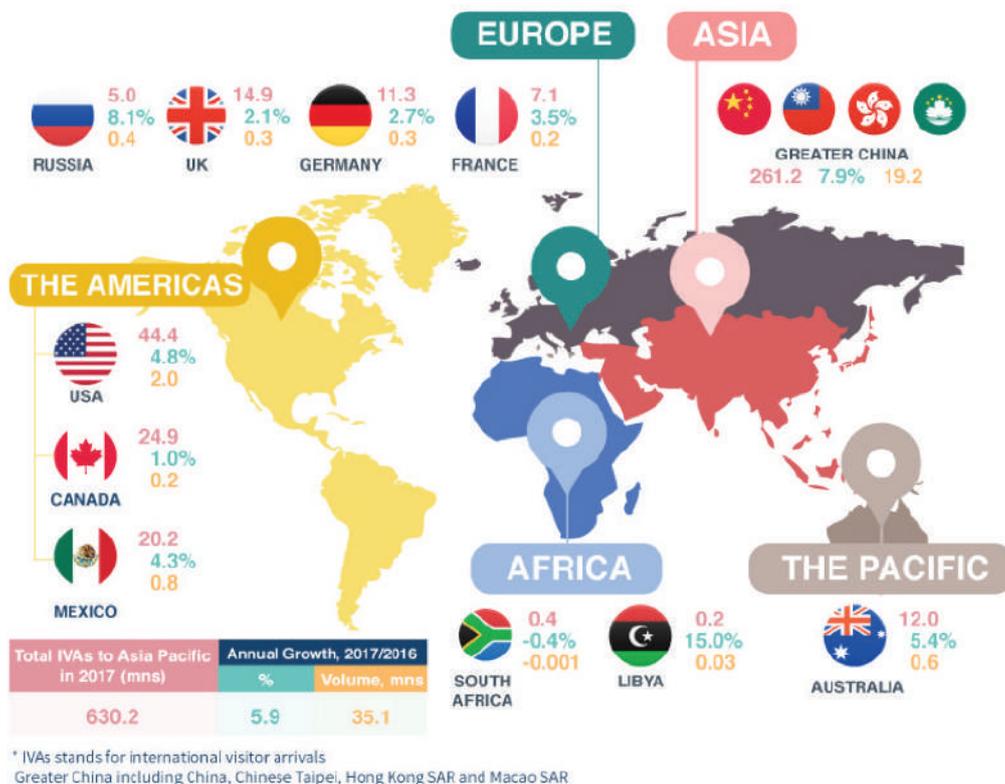
DEVELOPMENTS IN THE DIGITAL LANDSCAPE ACROSS ASIA PACIFIC

“A hack is a shortcut or modification – a way to bypass or rework the standard operation of an object or system.”

The Asia Pacific (APAC) region is the growth engine of the global travel industry and the biggest regional travel market in the world. Travel gross bookings in the region are projected to surpass US\$390 billion this year^{1,2}, with international visitor arrivals (IVAs) growing at 5.9 percent over 2016 to reach a combined inbound volume of more than 630 million³. These IVAs are predominantly intra-regional; 80 percent of which come from Asian source markets, with the majority originating from Greater China. This is followed by the USA and Mexico in the Americas, and then Europe⁴.

Given the year-on-year global rise of IVAs, the World Tourism Organization (UNWTO) declared 2017 to be the International Year of Sustainable Tourism for Development. Subsequently, the ‘Travel.Enjoy.Respect’ campaign is a reminder that destinations, travellers and other tourism stakeholders must collaborate closely toward a more sustainable tourism sector, thus minimising the negative impacts on people and the environment.

According to the World Travel & Tourism Council (WTTC), research studies show that travellers prefer companies that have an ecotourism focus. In order to make informed decisions, travellers from all over the world are increasingly going online to research and purchase travel, with one in four adult internet users saying they use mobile apps for product research⁵. The plethora of available digital media has resulted in a growing awareness and accessibility to responsible tourism practices⁶.



Key source markets from each source region for international visitor arrivals into the APAC region.

Digital use has surged throughout the APAC region during the past 12 months, with all economies showing meaningful gains across key statistical indicators. Internet users in the region now make up more than 50 percent of the world’s total online population and comprise the fastest growing digital economy⁷. This startling pace of change shows no signs of slowing, and digital adoption in APAC may even be accelerating. Indeed, the region is home to many of the world’s fastestgrowing online travel markets, and online bookings are growing twice as fast as in the USA and Europe.

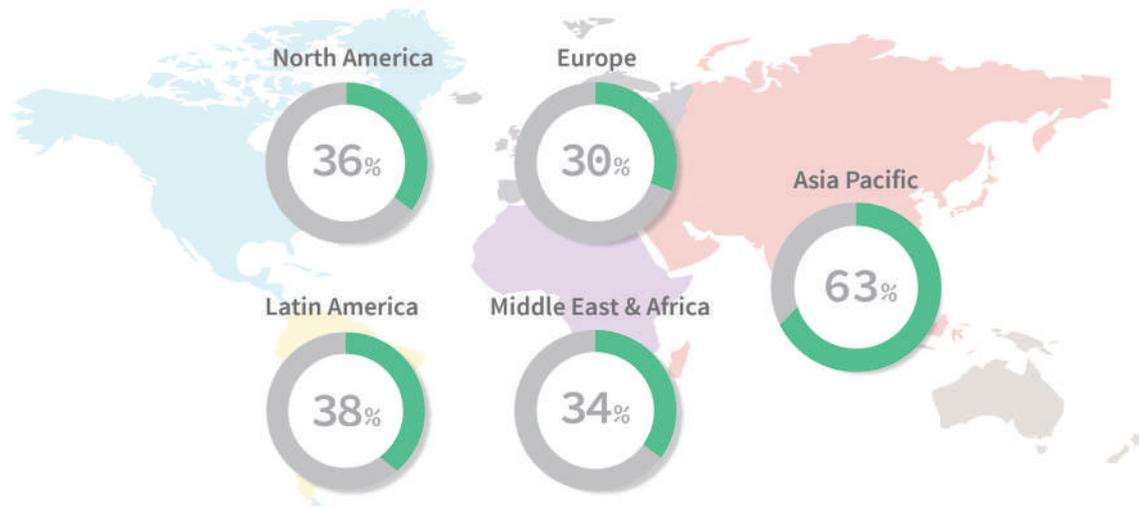
Despite these trends, less than half of the APAC region is currently online. A recent report revealed that digital connectivity in APAC reached 47 percent in September 2017⁸. APAC’s history and geography mean that significant differences exist between various destinations in the region. In Japan and the Republic of Korea, for example, more than 90 percent of the population are online, while in more than half of the destinations in APAC internet penetration is less than 50 percent.

Cost is a key factor in determining whether people can access digital services in many of the region’s developing economies. Connectivity remains beyond reach to the 400 million people across APAC who still live in extreme poverty. But the availability of low-cost mobile devices – a much cheaper alternative to desktop – is accelerating online adoption in the region.

Another key characteristic of the fast-growth markets in APAC is their often young, urban and affluent populations, who tend to be much more comfortable with making online bookings. Additionally, younger travellers prefer to make their own travel plans, rather than opting for traditional group-travel packages, and are more likely to pay more for sustainable travel practices. It is therefore no surprise that multinational travel companies continue to focus on mobile growth in the region. APAC alone constitutes 65 percent of the global online Millennial audience, and digital users in the region are now twice as likely to be engaged in mobile booking adoption than in most other regions⁵. This desire to purchase on mobile has seen an increase in mobile wallet adoption, with more than one in five consumers using such payment methods⁹.

M-Commerce By Region

% of internet users who purchased a product online last month via mobile



Data: GlobalWebIndex

Note: GlobalWebIndex Q2 2017 [Survey base: 72,529 internet users aged 16-64.]

Travel organisations looking to gain a digital foothold in APAC, will find markets where internet usage is already high, the easiest way in. However, markets where internet usage growth is the highest will offer the biggest opportunity for investment. So, while much attention has been focussed upon the more populous and economically prosperous China and India, Southeast Asia is now also emerging as a key area of focus for online travel agencies (OTAs), investors, start-ups and suppliers¹.

The pace of change across the APAC region presents an exciting opportunity for digital marketers. Mobile devices make it possible to plan a trip anytime, anywhere. Coupled with increasing wealth in many fast-growing economies and a burgeoning middle class, the region is home to a growing population of young, tech-savvy consumers, who are eager to travel. In this article, various approaches are discussed to reach this demographic and grow, scale and increase the vibrancy of a travel business online.

THE MIND OF A GROWTH HACKER

The dynamic and diverse nature of the internet has produced a new way to think about growth that differs from traditional online marketing (e.g. pay per click and online display advertising). Growth hacking – a term first coined in 2010 – is a process of rapid experimentation across marketing channels and product development to identify the most efficient ways to grow a business online.

Growth hacking is predominantly found in technology-based start-ups, which often lack the financial resources and established connections to be effective with traditional marketing tactics. But it also applies to companies at all stages and is increasingly being employed by larger organisations as an avenue toward accelerated customer acquisition.

Unlike most professions in technology, however, growth hacking is not a clearly definable set of skills or specific knowledge. It is a set of disciplines learned through doing, and out of curiosity or necessity. A growth hacker does not hack to gain unauthorised access. Instead, he/she will push the boundaries of what is commonly expected. Every decision that a growth hacker makes is informed by growth and every tactic is attempted in the hopes of growing. This absolute focus on growth has given rise to a number of methods, tools, and best practices that simply did not previously exist.

PRINCIPLES OF ONLINE GROWTH HACKING

Online growth mechanisms require creativity, analytical thinking and social metrics to develop a strategy that might otherwise have been overlooked. Paths to growth are often not obvious, particularly when resources are limited.

Most of the time, internet users will find a small OTA in one of three ways:

- It appears high in search engine results
- It is mentioned or recommended by another person or website (i.e. a referral), or
- They already know about the company from elsewhere



To increase the awareness and visibility of an OTA, typical areas of growth hacking campaigns may include (but are not limited to):

- Search engine optimisation (SEO)
The practice of increasing the quantity and quality of traffic to a website through organic (unpaid) search engine results
- Social Media optimisation (SMO)
Where an organisation's online presence and reputation are enhanced through interactive communities, such as social networks, blogs and forums
- Landing page optimisation (LPO)
A subset of conversion rate optimisation (CRO) used to improve the conversion goals of a website (typically, the proportion of website visitors that make a purchase)
- Content marketing
The creation and distribution of relevant and consistent content to attract and retain a clearly defined audience and to drive profitable customer action





- **Viral techniques**
Any form of referral publicity that induces websites or users to pass on a marketing message, creating a potentially exponential growth in the message's impact
- **User generated content (UGC) strategies**
Any strategy that encourages unpaid contributors or followers to create and distribute content, and is the act of brand promotion by users rather than the brand itself
- **A/B or multivariate testing (MVT)**
Techniques for testing alternative marketing strategies by determining which combination of variables yields the best results

Meaningful growth for a business requires a rigorous empirical process that involves theorising, testing and tracking metrics. These metrics might be anything from newsletter sign ups to a viral coefficient. A growth hacker will utilise or develop systems and tools to analyse and optimise the targeting of a specific demographic. Given the dynamic nature of the internet, growth mechanisms normally have a finite lifespan and need to be habitually explored and rethought to be successful.

Big online travel intermediaries, such as Expedia and HomeAway, and the Priceline Group's Booking.com, Kayak and Agoda.com, have scaled by investing huge sums of capital in customer acquisition, with a solid focus on ROI. The few travel companies that have managed to scale with a high viral coefficient have done so due to their peer-to-peer supply and demand nature, such as Airbnb and Uber, or, in the case of TripAdvisor, the multiplier effect of user generated content.

Airbnb, in particular, is an example of a company that embodies growth hacking. As a nascent start-up with limited seed funding, Airbnb realised the primary distribution network they needed for viral growth already existed in its millions on Craigslist (people who might seek cheaper alternatives to hotels). Through clever reverse engineering, they pushed the bounds of what was acceptable to enable accommodation rentals on their website to be seamlessly posted to Craigslist and to stand out visually among other posts. They did not need to run costly advertising campaigns because their product drove traffic to itself.

To be successful and scalable like Airbnb, new technology-based travel start-ups must either build something that offers significant added value to customers over existing services or build something truly innovative that fills a void in the market. For most travel companies, however, the Lifetime Value (LTV) per customer is at risk of staying lower than in other industries due to the sporadic nature of travel and the resulting low frequency of purchase (an exception being business travel).

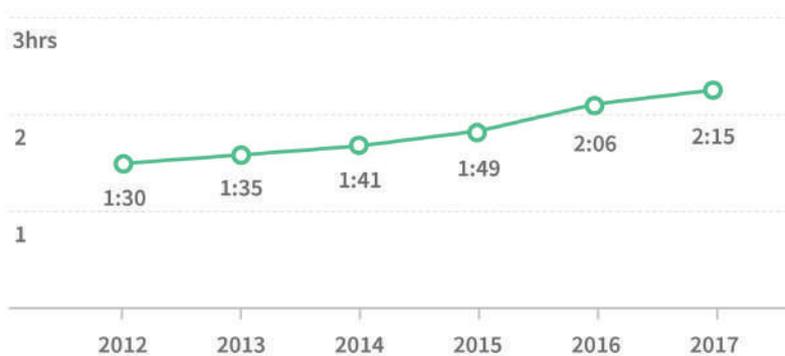
The travel industry is also highly competitive and fragmented, and the unbeatable marketing spend of the biggest companies drives a higher cost of customer acquisition, particularly across APAC. Most smaller players in the travel industry must therefore leverage existing platforms and networks to drive traffic and increase brand awareness and equity. With social networks shifting the balance of power between brands and consumers, social media optimisation (SMO) has become crucial for attracting and retaining consumers.

BUILDING A COMMUNITY ON SOCIAL NETWORKS

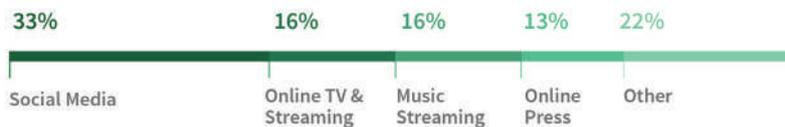
Mobile-first travellers in APAC are increasingly able to use social networks whenever and wherever they like. The region comprises 54 percent of the world's social media users and 56 percent of all mobile social media users¹⁰. More than 1.67 billion people across APAC now actively use social media on a monthly basis, a regional penetration of 40 percent, 98 percent of whom access social networks via mobile devices – the highest ratio in the world. As a result, travel organisations in APAC are developing their intra-regional marketing strategy to increase customer engagement and real-time interaction across the customer journey.

Time Spent on Social Media

Daily Average (Hours: Minutes)



Social Media as a Share of Online Time



Data: GlobalWebIndex

Note: GlobalWebIndex 2012–2017 (average across all research conducted in each year); percentage share figures are from Q2 2017 [Survey base: 61,196 - 211,024 internet users (depending on survey year) aged 16-64.]

The leading social media networks outside China (where WeChat, QQ and QZone dominate) are well established worldwide and their position as the most popular networks changes little from year to year. Some social networks are growing more rapidly than others, while some are now in decline. But the number of monthly active users (MAUs) on the different networks does vary between different economies and demographics, particularly across APAC, which is a key consideration when deciding how to invest time and a marketing budget on social media.

Indeed, the various social networks are constantly vying for our attention and a greater share of global markets (i.e. advertising and e-commerce revenues). This leads to continual developments as each platform tries to stay the most relevant or useful to internet users. In 2016, for example, Instagram released their stories feature to imitate and suppress Snapchat. In early 2017, Instagram Stories overtook Snapchat in terms of audience size.



On the content side, video, which has diversified a long way from YouTube alone, continues to dominate worldwide and is projected to comprise 80 percent of total consumer traffic by 2020¹¹. Social media video content receives on average 1,200 percent more shares than content with text and images combined. APAC sees 8.4 billion videos being shared each day, putting it at the forefront of the social video revolution.

To meet the expectations of marketers, social networks continue to launch new features encouraging more enticing video content, such as Facebook's Creator live-streaming app¹². With the desire for instant gratification dominating the mobile marketplace, there is now a push to expand and monetise live-streaming. Live-streaming often feels more personal and may lead to a greater emotional connection to a brand. It is likely that video streaming and virtual reality will also soon go mainstream, providing yet more opportunities for marketers.

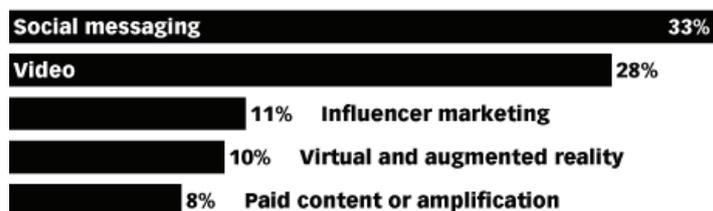
However, the diversity and ever-evolving digital and economic landscape across the APAC region might present a significant problem for marketers. What worked last year may not be so successful this year, and what works in one country or culture, may not be as effective elsewhere. Travel organisations, seeking to reach new audiences and younger customers in ways that traditional advertising cannot, must pay particular attention to specific markets instead of approaching travellers across the region as a whole.

Western culture continues to gain influence, especially in the younger generations, but simply applying what works in the West to the East might not necessarily work. It is important to first understand exactly how these changes are playing out in each country before launching a big campaign in the region.

Facebook may be dominant across APAC, as in the West, for example but other economies in the region besides China also have popular home-grown messaging platforms. While these mobile-based networks have struggled to succeed elsewhere, many also offer in-built e-commerce features that are used far more than their Western equivalents, and must therefore be taken into consideration. These include LINE throughout Asia (namely, Japan, Chinese Taipei, Thailand and Indonesia), KakaoTalk in the Republic of Korea, Zalo in Vietnam, and Hike in India.

Leading Social Media Trends that Will Have the Biggest Effect on Their 2018 Advertising and Marketing Strategy According to US Advertising and Marketing Executives

% of respondents



Source: The Creative Group, Sep 5, 2017

230426

www.eMarketer.com

Paytm, the top digital wallet in India, has also just ventured into mobile social networking with Paytm Inbox, providing direct competition for WhatsApp, the Facebook-owned messaging app¹³. The further incorporation of personalised shopping experiences, artificial intelligence and chat-bots into these messenger apps, including Messenger and WhatsApp, will likely see brands moving focus away from purely social networks to connect with the over 2.5 billion people who use these messaging platforms globally¹⁴.

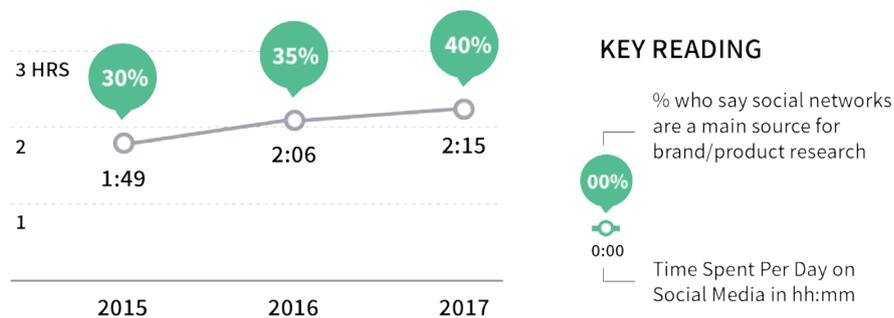


GROWTH HACKING SOCIAL MEDIA NETWORKS

Most of the major social media platforms use proprietary algorithms, which are designed to deliver the most relevant content to each individual user. Notable changes to these algorithms have dramatically declined the organic reach of posts on Facebook and Instagram during the past year. There could be similar changes elsewhere that will make it hard to market on these platforms without buying paid advertising. Travel organisations now need to think smarter and adopt a growth hacker mentality to reach large numbers of their audience for free.

A growth hacker will experiment and attempt to reverse-architect a social media algorithm to determine what features of a given platform can be effectively employed to analyse and reach a target audience. This approach is similar to the practice of SEO (reverse-architecting Google's algorithm to attain higher organic search rankings) and is especially true for Facebook, which increasingly prioritises friends and family posts over brand page content.

Social Product Research Over Time



Data: GlobalWebIndex

Note: GlobalWebIndex 2015 - 2017 [Survey base: 150,112 - 211,023 internet users (depending on survey year) aged 16-64.]

Coupling a quality content strategy with a good growth hacking strategy is key to an effective social media campaign and allows brands to reflect personality and storytelling. With more and more people consuming media in the same place they are doing their social networking, it is also important for travel organisations to be where their audiences are. A distributed content strategy and cross-channel marketing budget allows an audience to remain on the platform they are using, with a unique content strategy designed for each social channel.



INFLUENCER MARKETING

Influencer marketing is the fastest-growing online customer-acquisition channel, ahead of organic search, paid search and email marketing. With the oversaturation of advertising on the internet and the rise of ad blockers, influencer marketing instead leverages the reach and influence of individuals and key opinion leaders (KOLs) whose online content has a large and active audience. These individuals enjoy the trust of their followers; a relationship that has often been fostered for years, and brands, in turn, try to reach those audiences through the influencers. This trust and authenticity are important when consumers are overwhelmed by choice.

WORKING WITH INFLUENCERS

Working with influencers not only drives engagement, but can also have a real return in the form of high-quality leads, conversions and brand awareness. While travel companies themselves have often struggled with out-of-touch marketing tactics to capture attention, online travel influencers have adapted their practices to stay relevant to consumers.



Over 90 percent of marketers who employ an influencer believe it to be successful¹⁵. Influencers have thus become indispensable for travel organisations targeting markets in Europe and North America. Hiring influencers is also becoming more common for regional marketing within APAC¹⁶. This is true across the big social media networks, but especially so on Instagram, with its user base that is second only to Facebook in number and a growing influencer community. To reach a highly relevant audience and achieve the challenging task of taking a business to the next level, an influencer campaign must be properly planned. Too often travel companies do not clearly define their marketing goals for a given campaign or choose the right influencers to work with. Influencers should not be treated as another advertising medium. Most influencers are content creators; they have unique voices, and the best influencers will promote a travel product in a unique way across multiple mediums and channels.

Traditional marketing metrics also cannot be applied to influencer strategies, as these will typically lead to inaccurate expectations and campaign planning. Since the level of social engagement is critical to truly pushing a brand forward, cost per engagement models provide more accurate pricing and greater ROI.



DEVELOPMENTS IN INFLUENCER MARKETING

Despite the benefits of working with influencers, the influencer marketing landscape itself is not immune to the fast-paced changes in digital and has been impacted by a number of recent developments, such as the declining organic reach of social posts. Both Facebook and Instagram have launched new branded content features to allow content creators and brands to work together more effectively and transparently. Marketers working with influencers are also pushing for standards that will enable social metrics across the various platforms to be meaningfully compared in order to better gauge the success and ROI of their campaigns¹⁵.

A recent study suggested travellers from APAC economies are more traditional when it comes to planning a trip and that word-of-mouth recommendations and online reviews (such as from TripAdvisor) are more important factors than influencer endorsements¹⁷. But the survey also captured the significant regional diversity. Thai travellers were more affected by social media channels when it comes to trip planning, for example, while Chinese travellers showed the highest preference for booking trips through mobile. In Australia, Japan and New Zealand – advanced markets with established middle classes, the vast majority of travellers showed a preference for booking via laptop or desktop over mobile (because they have the disposable income to own one).

Another study focussed on consumers in China, Japan and Singapore across four verticals, including Travel and Leisure, found that 23 percent of consumers in these countries are 'engaged enthusiasts'¹⁶. These consumers are:

- more likely to follow and trust social media influencers and KOLs;
- more receptive to marketing content across channels;
- more prone to giving recommendations, both in person and on social media.

In short, the purchase decisions of travellers who prefer personal recommendations can be indirectly affected by online influencers through the behaviour of engaged enthusiasts.

THE FUTURE OF INFLUENCER MARKETING

One of the biggest trends in the influencer marketing landscape of 2017 is the rise of the micro-influencer. Micro-influencers typically have smaller, more engaged niche audiences than the biggest influencers in travel and will run a campaign at a much lower cost. Rather than working with two influencers with a combined reach of millions, organisations are often now looking to work with 20-30 influencers with smaller followings below 100,000. A number of national tourism boards – namely, Nepal and the Philippines – have even run campaigns involving hundreds of micro-influencers. Micro-influencers have also been instrumental in the virality and success of recent responsible tourism campaigns, such as those focussed on the ethics of orphanage tourism and volunteer travel¹⁸.

As social networks strive to incorporate more and more activities inside their platforms – and as behaviours continue to migrate to mobile platforms – the commerce space within these networks will open up even further. Such developments and the continuing paradigm cultural and economic shifts in APAC may make intra-regional influencer marketing increasingly more accessible, authentic and appealing among the regions travellers.





A Final Word

With two-thirds of the global middle class projected to reside in the APAC by 2030, the region is evolving rapidly. While internet connectivity remains beyond reach for many of APAC's poorest inhabitants, the steadily falling costs of smartphones and mobile data, coupled with the expansion and increased speed of mobile networks, will bring connectivity within reach of even more people. As with the global landscape, it is these growth figures that give the greatest cause for optimism, and point to exciting potential for further developments in digital and travel across APAC in 2018.

However, this optimism comes with a caveat: with more people travelling now than ever before, it is crucial that short-term gains are not prioritised over the longer-term health of local environments and communities. Distribution channels are constantly being redrawn, and as the digital landscape continually evolves, those who understand digital trends and the movement of people online, will have control over where those people end up and how they travel.



About the Author



Ben Salt is a former scientist turned digital marketing consultant with the media agency UpThink. His primary focus is helping ethical travel organisations exponentially expand their outreach on social media. He has hosted workshops and discussions on inbound marketing, is a board member of the Professional Travel Bloggers Association (PTBA), and heads a responsible tourism community that brings together aligned influencers and travel organisations.

UpThink is a Hong Kong-based digital agency specializing in technology-based accelerated growth techniques and creative content marketing strategies.

Works Cited

- ¹ PhocusWright. The Southeast Asian Traveler. January 2017.
- ² PhocusWright. Asia Pacific Online Travel Overview Ninth Edition. October 2016.
- ³ Pacific Asia Travel Association (PATA). Asia Pacific Visitor Forecasts 2017-2021. May 2017.
- ⁴ World Tourism Organization (UNWTO), Global Tourism Research Centre (GTERC). Asia Tourism Trends, 2017 Edition. October 2017.
<http://www.e-unwto.org/doi/pdf/10.18111/9789284419142>
- ⁵ Global Web Index. GWI Commerce - Flagship Report, Q3 2016. September 2016.
- ⁶ WorldTravel & Tourism Council (WTTTC). Sustainable Tourism: The Past, Present, and Future. November 2016.
- ⁷ Hootsuite, Kepios, We Are Social. Digital in 2017 Global Overview. January 2017. Web. kepios.com/data
- ⁸ Hootsuite, Kepios, We Are Social. Q3 2017 Global Digital Statshot. September 2017. Web. kepios.com/data
- ⁹ Mastercard. Emerging Markets Lead Mobile Shopping Charge in Asia Pacific, Mastercard Survey Reveals. September 2017. Web.
newsroom.mastercard.com/asia-pacific/press-releases/emerging-markets-lead-mobile-shopping-charge-in-asia-pacific-mastercard-survey-reveals
- ¹⁰ Hootsuite, Kepios, We Are Social. 'Digital in Asia-Pacific in 2017.' January 2017. Web. kepios.com/data
- ¹¹ Cisco. Cisco Visual Networking Index: Forecast and Methodology, 2016-2021. September 2017.
<http://www.cisco.com/c/en/us/solutions/collateral/service-provider/visual-networking-index-vni/complete-white-paper-c11-481360.html>
- ¹² International Business Times. Facebook Creator App Helps Influencers Easily Share, Create Video Content. November 2017. Web.
<http://www.ibtimes.com/facebook-creator-app-helps-influencers-easily-share-create-video-content-2616115>
- ¹³ The Economic Times. Now use Paytm Inbox to chat and transact all at once. November 2017. Web.
economictimes.indiatimes.com/small-biz/startups/now-use-paytm-inbox-to-chat-and-transact-all-at-once/articleshow/61475891.cms
- ¹⁴ Statista. Most popular mobile messaging apps worldwide as of January 2017, based on number of monthly active users (in millions). January 2017.
<https://www.statista.com/statistics/258749/most-popular-global-mobile-messenger-apps>
- ¹⁵ Linqia. The State of Influencer Marketing in 2017. 2017.
- ¹⁶ Allison+Partners. Asia Pacific Influence Impact Report 2017. November 2017. Web.
<http://www.allisonpr.com/docs/44/9e08660cea4fc5b1b43074556367694bc383af93/APACInfluenceImpactReport.pdf>
- ¹⁷ Amadeus, YouGov. Journey of Me Insights: What Asia Pacific travellers want. May 2017. Web.
<http://www.amadeus.com/documents/reports/apac-journey-of-me/amadeus-journey-of-me-insights-apac-report.pdf>
- ¹⁸ Travindy. How to engage over 100,000 people in your responsible tourism campaign in under a month. September 2016. Web.
<http://www.travindy.com/2016/09/engage-100000-people-responsible-tourism-campaign-month>

Visitor Economy Bulletin is published ten times per year online and is made available in hard copy at supported events.

December 2017 Edition
Writer **Ben Salt**

Design & Layout **Thanaporn Sae-Lee, PATA**



Please contact PATA Publications at publications@PATA.org.

PATA PREMIER PARTNER



PATA PREMIER MEDIA PARTNER



PATA STRATEGIC PARTNERS



PATA PREFERRED PARTNERS



MEDIA PARTNER



PATA ALLIANCE PARTNER



PATA GOLD AWARDS SPONSOR



澳門特別行政區政府旅遊局
DIRECÇÃO DOS SERVIÇOS DE TURISMO
MACAO GOVERNMENT TOURISM OFFICE



PATA.HQ

PATA_HQ