



# Travel Industry Marketing Landscape Report

**fusion**  
unlimited

# Introduction

Consumer preferences, technology, and global events are constantly changing, and travel marketers must stay ahead of the latest trends to maintain a competitive edge.

This report from the marketing team at Fusion Unlimited offers data-driven insights into recent industry shifts and new opportunities. By implementing these findings, you can make sure your digital campaigns connect with today's evolving travel audience.

Understanding how key market changes, such as the increasing use of AI and sustainability concerns, impact traveller behaviours can help you reshape your marketing strategies to increase your bottom line.

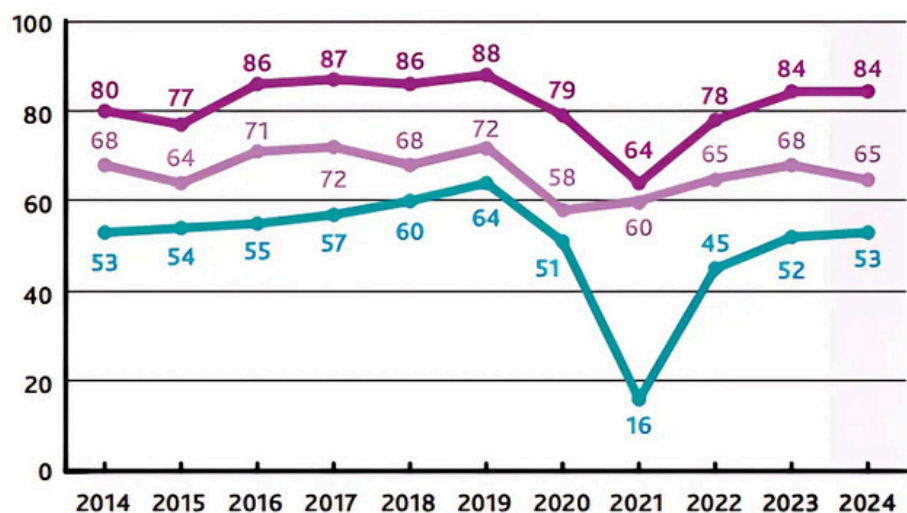


# The travel industry's digital marketing landscape: 2024 and 2025

ABTA, the trade association for UK travel agents, has created the Holiday Habits report for 2024-2025. It reveals that the number of holidays people took last year matches the highest level in the past ten years, reaching an average of 3.9 holidays, the same as in 2019 [1]. This means holiday demand was strong during 2024, thanks to regular travellers going on more holidays yearly.

## PERCENTAGE OF PEOPLE TAKING HOLIDAYS IN THE PAST 12 MONTHS 2014 – 2024

■ All holidays  
■ UK holidays  
■ Holidays abroad



## AVERAGE NUMBER OF HOLIDAYS TAKEN IN THE PAST 12 MONTHS 2014 – 2024

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(Fig 1. ABTA Holiday Habits Report 2024-2025, Page 4)

## Travel spending

The report also shows that holidays are the last thing to go if people need to reduce their spending to cover the cost of living, with 32% of people saying they would cut back on holidays if they need to save money, compared to 58% of people who said they would cut back on eating out. Whilst most people want to spend the same amount on their holidays next year, an increasing number of people plan to spend more - 31% up from 28%.

## Luxury travel trends

ABTA's Travel Trends for 2025 report highlights that in 2024, 47% of Gen Z travellers stayed in five-star accommodations, up from 37% in 2023 [2].

Gen Z also expressed the strongest intent to upgrade in 2025, with 22% planning to increase spending, higher than Millennials (14%), Baby Boomers (11%), and Gen X (8%).

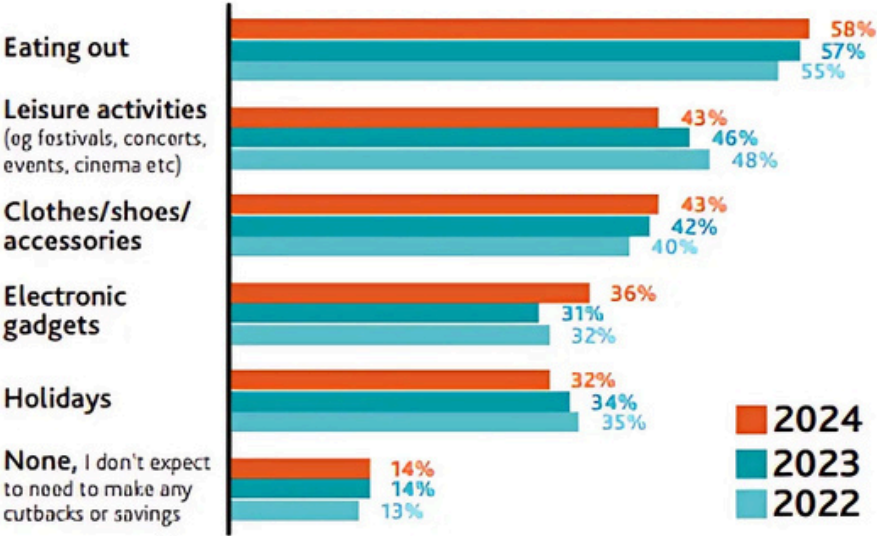
## Digital engagement

YouGov Surveys show that the most popular method to book a holiday (51% of respondents) is to book directly through airline or hotel websites. This is closely followed by using online travel agencies like Expedia or Booking.com (48%). Mobile apps, such as Airbnb or Hopper, are used by 28% of respondents, while slightly less than a quarter of respondents (24%) will use offline travel agents or agencies [3].

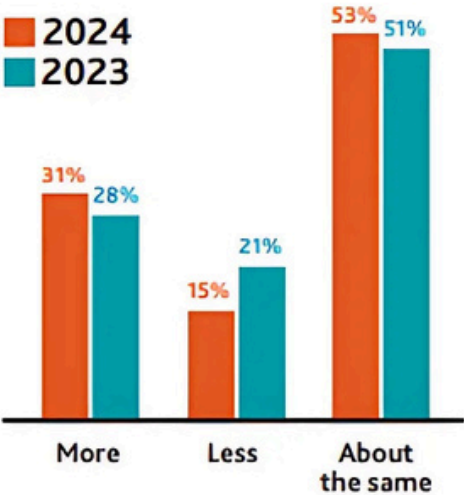




ACTIVITIES WHERE PEOPLE PLAN TO REDUCE THEIR SPENDING TO COVER THE COST OF LIVING



HOW MUCH PEOPLE PLAN TO SPEND ON THEIR HOLIDAYS NEXT YEAR COMPARED TO THIS YEAR



(Fig 2. ABTA Holiday Habits Report 2024-2025, Page 14)



PERCENTAGE OF PEOPLE STAYING IN FIVE-STAR ACCOMMODATION ABROAD



(Fig 3. ABTA Travel Trends for 2025, Page 4)

# Fusion Insights into Travel Marketing Challenges

Fusion Unlimited's [Paid Media](#) and [SEO](#) team works on multiple global travel sector client accounts, [analysing data and insights](#) to get travel industry clients the highest return on their investment.

Here are our team's insights into the biggest challenges in digital travel marketing over the past 6 months.

## Key Insights from Fusion Unlimited

### 1. Declining organic reach

Over the past six months, social media and search engines have experienced a decline in organic reach (the number of users who see content without paid promotion). This is partly due to evolving search and social media algorithms and increased content saturation.

The emergence of AI-driven answers and AI overviews has also impacted websites that rely on informational content for organic traffic.

This organic decline means that travel brands' posts reach fewer users without paid support, reducing visibility and engagement.

This has meant that travel marketers have had to allocate more budget to paid promotions to maintain audience reach, contributing to increased marketing costs.

### 2. Increasing CPCs

The increase in CPC is driven by intensified competition for ad space, especially during peak travel periods. This has led to greater emphasis on visual campaigns, including video content, and the adoption of campaign types like Performance Max (Pmax) and Demand Gen, which can be used to build brand salience. Building brand salience means building awareness to an audience that is already familiar with the brand through consistent brand messaging.

### 3. Evolving search algorithms

Recent Google algorithm updates have prioritised content quality, user engagement, and mobile-friendliness, with some sites seeing dramatic ranking improvements or declines.

In 2024, there were four core updates and three spam updates, prioritising:

- Content originality
- Targeting manipulative SEO practices
- Content that users genuinely find helpful
- Checks to ensure your site is similar throughout

There was also a significant focus on updating its AI overviews [4].

Our [content marketing team](#) made significant changes to travel websites with outdated, unhelpful, spammy, underperforming or unlinked content. Undertaking content audits to decide what to keep, cull and consolidate to keep in line with Google's best practices.

### 4. High enquiries but drop off in bookings

Many travel brands have observed a trend of high user enquiries but a significant drop-off at the booking stage.

If the booking process is easy and intuitive, the drop off is usually because the customer is still in the research phase, known as the 'messy middle'.

In the messy middle, consumers engage in continuous cycles of exploration and evaluation, navigating through many options and information sources [5].

Offering competitive pricing and implementing effective remarketing strategies to re-engage potential customers can help combat this issue. We have found that landing page optimisation, which ensures that pages are clear and compelling, is an effective way to boost conversion rates.





## Fusion's 5 Steps to Travel Growth

Over the past six months, the Fusion team has achieved several standout performance marketing results for a range of new and existing travel sector clients.

These include:

- Increasing Google Ads leads by 88% MoM, reducing CPA by 26% MoM, and increasing the number of high-quality form fill conversions.
- Using paid social campaigns to increase brand awareness and engagement led to a 52% increase in post reactions and a 20% decrease in cost per engagement.
- Shifting the Google Ads strategy for a brand new travel client and turning the platform from a declining one to a leading conversion driver for the business.



# Fusion's 5 Steps to Travel Growth

Here is our list of the five most important steps for a successful paid media campaign:

## 1. Creative

Use engaging, emotionally resonant creative that captures the essence of the holiday experience. Don't forget to highlight key USPs and build trust by including social proof. We've also noticed that user-generated content often outperforms highly polished brand material, as it gives potential customers a more authentic view of what they can expect.

## 2. Audience targeting

Make the most of your first-party data and take a considered approach to selecting interest-based and in-market audiences. This will help you avoid wasted spend and ensure that your ads reach the people most likely to convert.

## 3. Testing

Run iterative A/B tests during off-peak periods to refine messaging, creative, and targeting. This will ensure that performance can be maximised during peak times.

## 4. Conversion funnel strategy

Use audience segmentation based on previous interactions to guide users through the conversion journey. Make sure that your messaging and assets match where the user is in the funnel, showing them the most relevant USPs at the right moment, such as highlighting specific features or offers they've previously shown interest in.

## 5. Enquiry quality

Focus on the quality of conversions, not just volume. Link enquiry data to potential booking value and prioritise high-quality leads. This will ensure that the sales funnel stays full and profitable by directing resources toward the most valuable opportunities.

## Fancy using Fusion's skills for your travel brand?

### Here are just some quotes from our long-standing clients about our amazing working relationship with them:

We'd highly recommend working with Fusion. They started working with Titan in 2020 and were immediately able to suggest positive improvements to our Google Ad accounts that our previous agency hadn't suggested."

We were able to reduce reliance on brand-only keywords and increase the overall margin from our paid activity and increase the number of newly acquired customers."

Kerry Manley – Head of Digital Marketing

"Following a series of proposals from numerous suppliers during pitch, we unanimously agreed that Fusion represented the best fit. With the long-standing experience in the paid sector and a deep understanding of emerging technologies, we knew we were in safe and highly capable hands. In an industry fraught with high seasonal change and variability, it takes a considered and highly methodical approach to truly get to grips with and execute plans to deliver results - something which Fusion have worked hard to achieve and continue to drive towards.

Onboarding was comprehensive and in depth, giving us confidence that Fusion genuinely wanted to get under the skin of the business, understand our priorities and better gauge the day-to-day operations and trading. This all combined to give a well-rounded and holistic starting point from which to build precise and effective campaigns.

The team are all fantastic, and nothing ever feels like too much for them to help with. Continually being proactive and forward-looking is a great benefit to smaller in-house marketing teams who can rely on autonomy and flexibility."

Felix Hemsley, Head of Marketing & Communications – Oxford Ski



# Shifts In Traveller Behaviour

## Changes to booking habits

Data shows that the travel industry is changing rapidly with the increase in AI advancements, which is changing how consumers plan and book their holidays and travel experiences. Many large organisations are redesigning their workflows and hiring for more AI-related roles to implement AI faster to meet consumer demand [6].

Deloitte's 2024 survey found that one in five millennials uses generative AI for trip planning, and many consumers book trips based on AI recommendations [7]. Major travel platforms like Booking.com and TripAdvisor now offer AI travel assistants and AI booking tools such as AI Trip Planner and TripBuilder.

## Sustainability-conscious travel

The study also found that four in ten travellers - especially Millennials and Gen Zers - do at least one thing to reduce their environmental impact, such as travelling at off-peak times and preferring hotels, airlines, and rentals with higher sustainability ratings. Travel brands must measure their digital footprints to shift toward net zero, including reducing the energy needed to run an ad campaign (e.g. energy usage from data processing, server demands, etc. [8]).



## Social proof

The eCommerce Content Trends Report from IMRG & StoryStream found that 62% of respondents stated that UGC was the most impactful content they saw on a brand's website, compared to 38% for brand-created assets [9].

User-generated content and reviews, alongside influencer marketing, can build trust by giving users a 'behind the scenes' look into what to expect from their holiday and influence their decision to purchase.

This can help prevent abandoned carts and close the 'messy middle' gap between the first trigger and purchase, as reviews and UGC can influence customers stuck in the continuous cycles of exploration and evaluation.

Ways to gain social proof include:

- Asking for reviews
- Offering rewards to share travel UGC
- Creating customer surveys and feedback forms
- Finding brand mentions and UGC on social media





# Digital Marketing Innovations and Strategies

## Optimising creatives

Google reports that 70% of a campaign's success is determined by the creative [10].

In 2024, more travel marketers leveraged Google Demand Gen to identify what inspires travel desires and booking choices.

Meta announced that campaigns with both video and static creatives have been proven to outperform static or image-only campaigns. Analysis found that 7 out of 10 conversions were driven by the video content in this mixed campaign set up [11].

By utilising multiple ad placements, marketers can ensure that their ads consistently capture attention and encourage action.

## Performance Max campaigns

Throughout 2024, the use of Pmax enabled travel marketers to advertise across Google's entire inventory, including Search, Display, YouTube, Discover, Gmail, Maps, and specialised travel channels like Hotel Ads.

Performance Max uses AI to automatically adjust bids, placements, and creative elements in real time. It supports diverse ad formats, including Hotel Ads and Property Promotion Ads, tailored for the travel sector.

These formats directly provide potential customers with comprehensive information within the ads, such as rates and room details.

To get the most out of Performance Max, you must import accurate conversion information into the account to ensure that you are driving high-quality conversions. This means clearly defining the conversion type, providing relevant audience signals, and optimising your landing pages for conversions.



Comparison Point	Performance Max (PMax)	Traditional Google Ads
1. Channel Coverage	Runs across all Google channels in one campaign	Separate campaigns for Search, Display, YouTube, etc.
2. Automation	Fully automated bidding, targeting, and creative optimisation	Manual control over most elements
3. Creative Optimisation	Uses machine learning to test and combine ad assets	Manual A/B testing required
4. Setup & Ease of Use	Quick setup with simplified management	Requires granular setup and ongoing optimisation
5. Transparency & Control	Less visibility and control over placements and audiences	More detailed reporting and control over targeting

We found that optimising ad messaging for experiences helped to increase CTR's

Emphasising experiential aspects, such as 'breathtaking mountain views' or 'pristine coral reefs', can create more engaging and emotionally resonant advertisements that capture the attention of potential travellers.



# Looking ahead:

## Anticipated trends for Q3 and Q4 2025

### AI-generated content and hyper-personalised travel offers

McKinsey's 'Next in Personalization report' found that seventy-one percent of consumers expect companies to deliver personalised interactions, and seventy-six percent get frustrated when this doesn't happen [12].

Their 'What is personalisation' report suggests that brands should focus on investing in customer data and analytics foundations to achieve their goals and prepare for the future [13].

These include systems to pool and analyse data, algorithms to identify behaviour patterns and analytical capabilities to feed that information into simple dashboards.

Platforms with this capability include Google Cloud AI, Salesforce Einstein, HubSpot and Tableau. These platforms can help travel marketers predict customer preferences, segment audiences, identify high-value travellers, and predict booking trends faster than ever before.

By using AI to segment customers and identify value triggers, marketers can score customers accordingly and have a library of campaigns and content ready and waiting to respond immediately with a relevant message known as a "trigger."

An example of how this would work is:

- Sam, a 35-year-old, takes an annual summer holiday and booked last year's trip online through a tourism group website.
- His booking is logged in the tourism group's database.
- This year, he's browsing potential destinations on the same website but hasn't booked anything yet.
- His past purchases and browsing indicate he might be considering booking again.
- Within 24 hours, he receives a personalised email offering a 10% early booking discount on the packages he viewed, along with suggestions for similar options.

## Voice search and multimodal search optimisation

AI-driven voice assistants like Siri and Alexa have altered how users search for information, making voice search optimisation a necessity for travel brands. Optimising content for voice search involves focusing on natural language processing and conversational keywords.

Travel companies should consider implementing voice search capabilities directly into their platforms, allowing users to make bookings and inquiries effortlessly through voice commands [\[14\]](#).

Ways to optimise for voice search include:

- Incorporating long-tail keywords and conversational phrases into website copy, blog posts, and other digital content
- Ensuring that the site is mobile-friendly and loads quickly
- Adding structured data markup to the website's code
- Optimising for local SEO and location-specific keywords

## Experiential marketing and immersive content

Integrating immersive content like AR and VR can enhance the user experience and make your content more engaging than your competitors.

The 360 VR production company Immersive VR states that 'One of the greatest strengths of VR is allowing the user to experience the feeling of "being there"'. Whilst regular images and videos can work well for showing what a destination has to offer, they don't often elicit an emotional response [\[15\]](#).

Offering a more advanced way to view hotels and destinations can leave a lasting impression and put your travel brand ahead of the competition.



# Conclusion and Key Takeaways

The travel marketing landscape has changed rapidly throughout Q4 2024 and Q1 2025. This shift has been influenced by key trends such as the rise of AI and evolving consumer behaviours. The demand for travel remains strong, as many people are taking more holidays and are willing to spend on luxury experiences, particularly younger generations like Gen Z.

However, travel brands are facing challenges, such as declining organic reach, rising cost per clicks (CPC), and changing algorithms. Despite these challenges, there are opportunities to explore innovative digital marketing strategies. Brands can utilise AI-generated content, explore Demand Generation & Performance Max campaigns, and use experiential marketing to their advantage.

Looking ahead to Q3 and Q4 2025, travel brands should concentrate on creating hyper-personalised offers, optimising for AI Overviews and voice search, and A/B testing their creatives to engage and inspire travellers. Travel brands that adapt to these changes and invest in smarter, more creative digital marketing solutions will be better positioned.

For travel brands looking to navigate these challenges and capture new opportunities, Fusion Unlimited's digital marketing services can help.

Our team of experts specialises in developing data-driven, customised strategies to ensure your campaigns are effective and aligned with the latest industry trends.

[Contact us today](#) to discuss your travel marketing goals or explore the work we've done for travel clients, such as [Edinburgh Airport](#).

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