

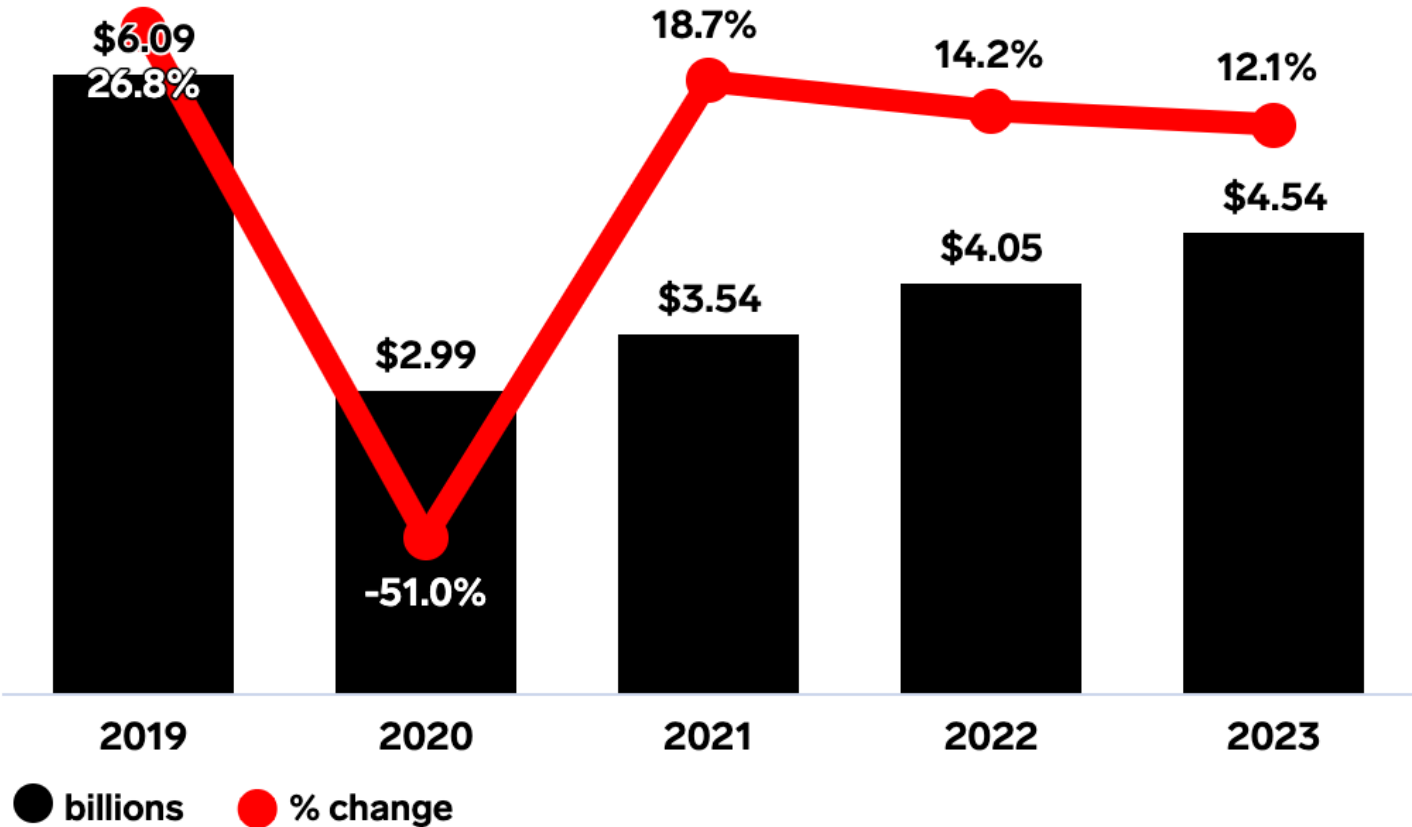
# US travel industry will gain just \$550 million back in digital ad spending after 2020's \$3 billion loss

Article

**The forecast:** The US travel industry this year remains largely impacted by the pandemic, even as travel has picked up in H2. This sluggishness is due to paused cruises, a near standstill in business travel, and restrained international travel.

Pent-up consumer demand has given travel advertisers a reason to spend this year, but campaigns are still focused more on messaging about cleanliness on trains, planes, and in hotels. Additionally, due to months of closed borders and unreliable flight schedules, advertisers pivoted away from international travel and toward local and regional destinations.

## Travel Industry Digital Ad Spending US, 2019-2023



Source: eMarketer, June 2021

eMarketer | InsiderIntelligence.com

## A deeper dive:

- Less than a **third** of people in the US traveled in 2020, according to the American Hotel & Lodging Association. And while companies like **Delta** expect leisure travel to rebound this year to **85%** of pre-pandemic levels, business travel remains frozen at industry lows, limiting advertising budgets.
- A decline in 2020 hotel bookings also resulted in limited advertising budgets in 2021.
- Travel's share of the overall digital ad pie is now under **2%**, with the rebound expected to be closer to **three to five years** out, per our estimates.

## Looking ahead:

The US travel industry is not seeing quite the same bounce back in digital ad spending as other industries have seen in 2021, and a lot of this is due to stunted business travel and international travel. Regional airlines, small to medium-sized hotels, and independent travel agencies may have to shutter as their budgets decrease.

Those companies equipped to weather the storm will continue doing so for years to come, as **US digital ad spending in the travel sector will take until 2023 to near even 2018 levels** (\$4.54 billion versus \$4.80 billion, respectively).