

Ad Spend on Travel in the US Is Growing Faster than Other Verticals

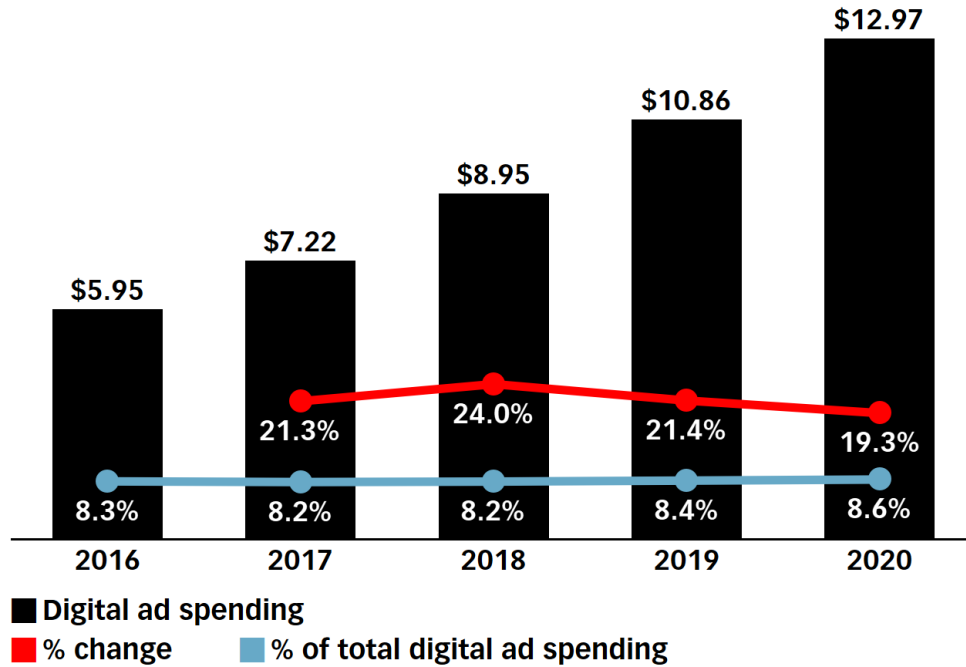
ARTICLE | **JULY 29, 2019**

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Travel is the sixth-largest industry in terms of ad spending in the US this year, according to our newest estimates. Rising competition and a strong economy are prompting travel companies to increase their ad budgets to capture a larger market share.

Digital ad spending on travel will grow 21.4% to \$10.86 billion this year. Next year, ad spending will grow 19.3% to \$13 billion.

Travel Industry Digital Ad Spending in the US, 2016-2020
billions, % change and % of total digital ad spending



Note: includes airlines, car rental, hotels and resorts, cruises, destination marketing organizations; includes both leisure and business travel; includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets and other internet-connected devices, and includes all the various formats of advertising on those platforms

Source: eMarketer, July 2019

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Since travel is a search-heavy vertical, we foresee travel advertisers continuing to rely on search ads to reach consumers. We estimate that advertisers will spend \$5.84 billion on search in 2019. The travel industry has the fourth-largest search ad spend out of all the verticals we break out, making up 10.9% of total US search spend.

“Search is crucial for travel advertisers, and search engines have products that are specialized for the travel industry,” said Sarah Scherer, product marketing manager at Goodway Group, who spoke with us for our Digital Ad Spend by Industry 2019 report collection. “It’s foundational for travel advertisers to have a presence on search.”

Travel advertisers are also increasingly becoming mobile savvy, using mobile data to target customers. For example, ad agency Crossmedia used mobile data for their out-of-home (OOH) campaigns, citing that companies that leveraged mobile data for OOH garnered 20% to 40% higher foot traffic than those that didn't.

This year, travel advertisers will spend \$7.62 billion on mobile ads—a 25.1% growth from last year—which accounts for 70.1% of all travel digital ad spending.

Video is quickly becoming a preferred ad format for the US travel industry; US travel advertisers will spend \$2.62 billion on video this year, a 25.7% increase from 2018. We classify digital video as a subcategory of display ads, which includes formats such as banners, rich media and sponsorships. The share of travel display ad spend on video will increase to 59.0% in 2020.

Digital video's growth overlaps with social's growth. As of **Q3 2018**, we changed our methodology for our video ad forecasts to encompass outstream formats including social media in-feed ads.

"The growth of travel advertisers' digital video budgets is being driven by social platforms," said Ross Benes, analyst at eMarketer and author of our "Digital Ad Spending by Industry 2019" report collection.

"Facebook and Instagram in particular are becoming more popular outlets for travel advertisers to promote their lifestyle products."

In travel industry ad platform Sojern's November 2018 poll, the majority of worldwide travel marketers said they planned to increase their Facebook and Instagram ad spend. Among those working with cruise and airlines brands, six in 10 respondents reported that they will raise their Facebook and Instagram spend.

Travel Marketers Worldwide Who Plan to Increase Their Digital Ad Spend in 2019, by Type and Vertical, Nov 2018

% of respondents in each group

	Cruise	Airline	Attraction	DMO	Hotel	Car rental
Facebook and Instagram	60%	60%	58%	55%	54%	51%
Video	60%	55%	48%	49%	43%	47%
Private marketplace	49%	38%	42%	36%	33%	39%
Other social	48%	52%	51%	39%	39%	48%
Mobile	47%	44%	44%	46%	47%	42%
Programmatic display	45%	41%	45%	40%	40%	35%
Paid search	40%	42%	43%	38%	47%	35%
OTA	34%	30%	20%	19%	25%	27%
Metasearch	33%	33%	29%	26%	34%	28%

Source: Sojern, "State of the Industry: The 2019 Report on Travel Advertising," Feb 21, 2019

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For more estimates on how advertising dollars are being spent in the travel industry, eMarketer PRO subscribers can read our latest report:

Report by Ross Benes Jul 25, 2019

US Travel Digital Ad Spending 2019

**US TRAVEL
DIGITAL AD
SPENDING 2019**

A Search-Heavy Vertical Grows Its Overall Ad Budgets

July 2019
Ross Benes
Contributors: Jennifer Ann, Claire Clancy, Vanessa D'Amico, Peter Sells

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For global analysis on ad spending spanning Germany, the UK and the US, eMarketer PRO subscribers can read our latest report collection:

Report by Ross Benes Jul 25, 2019

Digital Ad Spending by Industry 2019

DIGITAL AD SPENDING BY INDUSTRY 2019

Our Report Collection Analyzes Spending for 10 US Verticals: Six in Germany, Five in the UK

JULY 2019
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