### RTBHOUSE =

REPORT

# Above and beyond

Maximizing ROI in Travel with Advanced Programmatic Advertising Strategies

# Welcome aboard



Demand for travel has remained strong in 2023, sustaining upward trends from 2022. <u>Delta</u> filed record profits in the second quarter of 2023. Meanwhile, <u>Air France-KLM</u> recorded its highest summer season operating profits ever. Several <u>cruise ship ports of call</u>, like Juneau, Alaska, and Venice, are even starting to limit the crowds allowed to disembark. Clearly, people are on the move and eager to see the world again. Continued growth in the industry, however, will require solid strategies.

While 2022 was a year of recovery, 2023 was a year of innovation and reinvention. Artificial Intelligence offers several opportunities for greater efficiency, namely through better campaign targeting and more precise recommendations. Internal survey data compiled by RTB House and presented in this report reiterates that personalization is key to more effective travel campaigns. In addition to personalized offers, visually striking creatives still play a vital role in winning over would-be travelers. However, knowing how to personalize while also shifting away from the third-party cookies presents one of the biggest challenges ahead.

Insights in this report shed light on the current trends in advertising in travel and hospitality and present findings from major markets on consumer sentiment. 2024 is gearing up to be another busy year, but not one without challenges. It's time to capitalize on buoyant demand by inspiring travelers and enhancing the booking journey.

2 Welcome aboarc	1
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#### 3 <u>Contents</u>

4 <u>Where Travel and Hospitality is right now</u>

#### 7 RTB House Travel Survey

Planning for trips | The importance of visuals | Sources of travel inspiration

#### 14 <u>Emerging Travel Trends</u>

Vacation activities | Instagram—picturing vacations | The emerging trend of set-jetting | Workations—live to work, or work to live? | Meaningful travel | The lap of luxury

#### 22 <u>Traveler Snapshots</u>

Bucket list vs. Budget travel—traveler priorities | Modes of transportation | U.S. travelers—types of summer vacation destinations | Length of trip | The age of travelers | Solo travelers | OTAs

#### 27 How Has the Booking Journey Changed?

Innovation—time for take-off | Building loyalty early

#### 30 Personalization in Travel Advertising

The rise of personalization I Personalization and conversion rates I Reduced decision fatigue I Feedback loops I Implementing personalization in travel campaigns

#### 33 Cookieless Travel Campaigns

The decline of cookies | Implications for advertisers

## 35 <u>New Approaches in Travel advertising</u> First-party data emphasis | Enhanced use of Deep Learning |

Collaborative data pools | Al use cases in Trave

#### 37 Opportunities for Al in Travel Campaigns

#### 38 Al—Hype or Hero?

What AI can't do—the human touch | What AI can do (superbly) | Future trends in Travel

#### 41 Let's talk

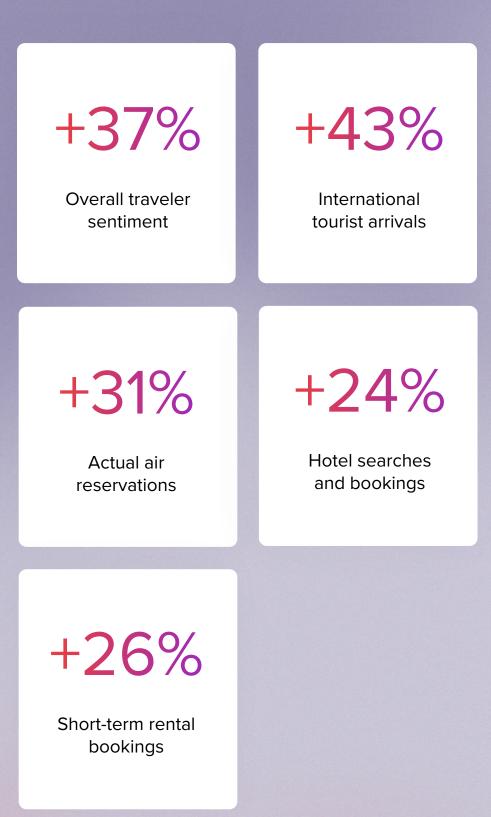
42 <u>Credits</u>

### Where Travel and Hospitality is right now

Travel demand has shown resilience in 2023 despite factors that would normally temper consumer sentiment. Higher fuel costs and other inflationary pressures have apparently not discouraged people from taking trips. Tourist arrivals? Up. Hotel searches? Up. Traveler sentiment is also up since 2022. Industry data shows shifts in consumer preferences and purchasing habits—notably trip frequency, amount of time planning, and the type of trips people are taking. More flexible office work policies have blurred the lines between work and leisure, making the "workation" more popular than before.

Data from the United Nations World Tourism Organization (UNWTO) suggests a marked upward trend in many of the metrics the body tracks. Together with the independent research firm TCI Research, the UNWTO found that traveler sentiment is up 37% compared to 2022. The metric aggregates opinions on destinations, accommodations, and tourism-related activities, as well as the willingness to book trips.

Meanwhile, accommodation marketing platform Sojern recorded a 24% YoY increase in hotel searches and bookings, and a 26% rise in short-term rental reservations, showing increasing demand for hotels and short-term rentals. United Nations World Tourism Organization, YoY:



Sources: <u>UNWTO, TCI Research, Soje</u>i

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