



# 2025 Digital Marketing Benchmarks for Travel

How did your travel business compare?



# Contents

The data in this report is compiled from local and international analysis conducted by WordStream, Varos, Neal Schaffer, SuperAds, Digital Nomads and more. If any data you find here appears inaccurate, please let us know.  
All currency values are converted to AUD where needed.

<b>03</b>	Introduction
<b>04</b>	2025 Travel Digital Marketing Wrap
<b>05</b>	Click Through Rates
<b>06</b>	Cost per Click
<b>07</b>	Conversion Rates
<b>08</b>	Cost per Lead
<b>09</b>	Digital Marketing Outlook for 2026
<b>10</b>	What's your next move?



# Introduction

## Welcome to the 2025 Digital Marketing Benchmarks for Travel.

Based on a comprehensive analysis from a number of sources this report outlines the critical metrics defining the current market. The data reveals a shift away from micro-segmentation toward AI-driven broad targeting and automated bid strategies to combat rising costs.

The 2025 benchmarks highlight a complex battlefield. While travel continues to benefit from high user intent, the sector faces significant headwinds, including a 9–11% year-on-year rise in Meta CPMs and a sharp 14.07% decline in search Click-Through Rates (CTR). This drop in CTR signals that the Search Engine Results Page (SERP) has become a fiercely contested space, with AI overviews and major aggregators increasing the pressure on advertisers to deliver sophisticated, high-visibility creative.

Looking beyond the metrics, this report explores the strategic evolution required for 2026. With conversion rates currently trailing cross-industry averages, the focus must shift from simply acquiring clicks to engineering "conviction". The future belongs to agencies and operators who transition from transactional "booking engines" to "Life Editors," effectively removing decision fatigue for travelers and leveraging private, owned channels to drive high-value growth.



2025 Digital  
Marketing  
Benchmarks  
for Travel



# 2025 Travel Digital Marketing Wrap

## Digital Marketing Observations by Channel

### **Rising CPMs and Cost Pressure**

Meta CPMs have increased steadily in 2025, with travel advertisers experiencing around 9–11% year-on-year growth. Higher costs underscore the need for careful budget allocation, efficient campaign planning, and a balance between audience targeting, creative quality, and objectives to maintain strong return on ad spend.

### **AI-Driven Optimization**

AI is now central to Meta advertising. Tools like Advantage+ campaigns automate audience targeting and bid strategies, while generative AI supports rapid creative testing. Travel marketers who leverage AI-driven optimization can improve efficiency, scale campaigns, and achieve more consistent results.

### **Rising Search Costs, but Improving Efficiency**

In 2025, Google Ads search campaigns are seeing continued upward pressure on costs. Though costs are higher, many advertisers are benefiting from better conversion rates, which helps mitigate the impact of rising CPCs.

### **Broad Targeting Outperforms Lookalikes**

In the post-privacy landscape, broad targeting often delivers higher reach and ROAS than narrow lookalike audiences. Travel campaigns benefit from testing larger, less segmented audiences combined with Meta's AI delivery to scale effectively while reaching high-intent users.

### **Smart Optimization & Strategic Bidding Are More Critical Than Ever**

With rising costs and intense competition, travel advertisers are leaning more heavily into advanced optimization tactics. More efficient campaign structures and high-quality landing page experiences are key to sustaining strong conversion rates.

### **Travel Search Ads Have High Intent**

Travel advertisers continue to benefit from strong user intent on Google Search. The median click-through rate (CTR) for travel services is quite healthy. Many users searching on Google have high intent (e.g., planning a trip, comparing travel options), making search a critical channel for conversion-driven campaigns.

## TRAVEL INDUSTRY

## Click through rate (CTR)



While Google Search ads continue to capture high-intent traffic with a robust CTR of 8.73% , Meta plays a different but complementary role with a CTR of 1.06%. This disparity highlights the distinct function of each channel: Search captures active demand, while Social generates it. However, with the travel industry's Search CTR falling by a substantial 14.07% year-over-year, relying solely on the SERP is becoming riskier. A balanced strategy now requires leveraging Meta's visual storytelling to capture attention before the search ever begins, ensuring you aren't fighting for visibility only at the most expensive moment of the journey.

**How to Improve Your CTR**

**Refine Audience Targeting:** Don't let your keyword lists become stale. Frequently review and refine your targeting to focus on high-intent, transactional terms that are most relevant to active travellers.

**Enhance Ad Creative:** A crowded SERP demands an ad that stands out. Leverage a full suite of ad assets, such as sitelinks to specific tour packages or hotel pages, and compelling image assets to make your ads more enticing and clickable.

8.73%

 Google Ads

1.06%

 Meta

**The Travel industry's search CTR saw one of the biggest decreases of any sector, falling by a substantial 14.07% vs 2024.**

2025 Digital  
Marketing  
Benchmarks  
for Travel





## TRAVEL INDUSTRY

# Cost per click (CPC)

Travel has historically enjoyed some of the most efficient traffic costs in digital advertising, but the dynamic between Search and Social is shifting. While Search keywords often command a premium due to high intent, Meta has typically offered a lower-cost alternative for acquiring volume. However, with Meta CPMs rising by 9–11% year-on-year and search costs continuing their upward trajectory, the era of the "cheap click" is ending across both platforms.

### How to Improve Your CPC

**Improve Quality Score:** The most effective way to lower CPC is by mastering campaign fundamentals. Ensure there is tight alignment between your keywords, ad copy, and landing pages. A higher Quality Score is rewarded by the ad auction with lower costs.

**Evaluate Bidding Strategy:** Be mindful of how your bidding strategy impacts cost. Automated strategies that optimize for conversions may bid aggressively on more expensive, high-value queries. As Katia Hausman, Vice President of Product at LocaliQ, notes, *"we've seen sharper increases on campaigns with smart bidding, which is likely expected since Google has direct control over these CPCs."* Monitor this behaviour to ensure it aligns with your overall budget and profitability goals.

**\$3.27**

 Google Ads  Microsoft Advertising

**\$1.03**

 Meta

**Relatively low CPC compared to other industries but costs are increasing year over year.**

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Marketing  
Benchmarks  
for Travel



Values presented in AUD

## TRAVEL INDUSTRY

# Conversion Rate (CVR)



Converting traffic remains the sector's primary challenge, with the overall conversion rate trailing the cross-industry average of 7.52%. The data reveals a clear intent gap: Google Search ads deliver a conversion rate of 5.75%, capitalizing on users ready to book, while Meta sits at 2.8%, reflecting its position higher in the funnel. Marketers should treat Meta traffic as "inspiration" that needs nurturing, while optimizing Search landing pages for immediate transactional speed.

## How to Improve Your CVR

**Optimize the Entire Funnel:** Improving CVR isn't just a landing page problem. It begins with addressing issues earlier in the funnel, such as low CTR or high CPC on irrelevant terms, to ensure higher-intent traffic is reaching your site in the first place.

**Enhance the Landing Page:** As Daniel Lasala from Inca Design states, *"Manage your users expectations from search term to ad and then landing page, the messaging and user experience must align"*. Optimise your landing page to be as conversion-friendly as possible. Test new offers, simplify forms, and add compelling calls-to-action to make it easy for visitors to act.

5.75%

 Google Ads

 Microsoft Advertising

2.8%

 Meta

**While an improvement from 2024, travel marketers still fall behind other industries in converting visitors**

2025 Digital  
Marketing  
Benchmarks  
for Travel





## TRAVEL INDUSTRY

# Cost per Lead (CPL)

The divergence in cost efficiency between channels is starkest here. While Search campaigns often see CPLs hovering between \$65 and \$112+ due to competition for high-value keywords, Meta offers a compelling efficiency advantage with a CPL of just \$36. This dynamic illustrates the widening gap between the cost of a click and the cost of a true conversion. For travel marketers, the winning play is to utilise Meta's lower CPL to fill the pipeline with early-stage inquiries, while strategically reserving higher Search spend for capturing the high-value leads that drive immediate revenue.

### How to Optimise Your CPL

**Integrate Your Marketing Efforts:** Evaluate how other marketing channels, such as social media or email marketing, can support your search ad campaigns. An integrated approach can warm up audiences and bring down customer acquisition costs across the board.

**Focus on Lead Quality, Not Just Quantity:** As Alessandro Colarossi, Director of Account Management at SearchKings, advises, "Advertisers need to track the real business impact of those leads." Focus on attracting prospects who are more likely to result in high-value bookings rather than simply chasing a lower CPL with low-quality inquiries.

**\$68**

 Google Ads  Microsoft Advertising

**\$36**

 Meta

**There is a widening gap between the cost of a click and the cost of a true conversion**

2025 Digital  
Marketing  
Benchmarks  
for Travel



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# Digital Marketing for travel in 2026

## Key factors to look for in 2026

### **The Strategic Shift: From Booking Engine to "Life Editor"**

By 2026, the primary value proposition of the luxury travel advisor will shift from access to cognitive relief. High-Net-Worth Individuals (HNWIs) are increasingly suffering from "decision fatigue" exacerbated by an algorithmically noisy world. For operators and agents, this means the winning business model is no longer about presenting options, but about curating conviction. Agencies that position themselves as "Travel Designers" who edit out the noise will find success, while those still acting as mostly transactional booking engines will face existential pressure from advanced AI tools.

### **Product Evolution: "Unlimited Luxe" and the New All-Inclusive**

The definition of "all-inclusive" is undergoing a radical rebranding in the high-end sector. It no longer signifies mass-market buffets, but rather "seamlessness." The 2026 luxury traveler demands "Unlimited Luxe", a model where every friction point (transfers, tipping, logistics, private access) is pre-solved and bundled into a single, substantial price point. Operators must prepare for a surge in requests for "exclusive use" inventory where the client controls the entire environment. Agents should benchmark their portfolio's ability to offer "logistics-free" experiences where the client never opens a wallet or makes a decision once the trip begins.

### **The Digital Pivot: Engineering "Private Influence"**

As high-net-worth conversations migrate to private channels (WhatsApp, Signal), the digital mandate shifts from broad reach to "Shareability." The new marketing benchmark is not just capturing attention on a feed, but engineering digital assets—such as hyper-visual teasers or deep-dive insider guides—that are compelling enough to be manually forwarded into private circles. Success in 2026 relies on building robust "Owned Channels" (email ecosystems and First-Party Data) to arm your best clients with the narratives they need to advocate for you behind closed doors. Public digital presence provides the spark; private sharing provides the conversion.

**How did you go?**

**Did you beat the benchmarks?**

We did... it wasn't even close.

Now what?



# Turn these benchmarks into Bookings

## You've seen the data. Now, what is your next move?

As the 2025 benchmarks show, the travel industry is shifting. Costs are rising, privacy is evolving, and the competition for attention is fierce. You have taken Step 1 by reviewing how your performance stacks up. The next step is deciding where you want to go from here.

### Identify Your Growth Areas

Whether you are looking to generate Higher LTV from existing clients, secure Higher Commissions, get more Direct Bookings, or simply find more of your Ideal Clients, success in 2026 requires a deliberate strategy. You might need to "Up Your Digital Game" or "Get Personal" with your messaging, but you don't have to do it alone.

**Ready to elevate your travel business?**

**Let's have a casual chat to see if we are the right fit.**

### Two Ways to Work With Us

We know that every travel business is at a different stage. That is why we offer two clear paths to help you succeed:

#### The "Agency" Option:

We take the wheel. Full-service digital marketing execution designed to get big results for a select group of clients.

#### The "Consultancy" Option:

We guide you. Strategic mentorship to help you become efficient, understand your data, and execute with confidence.



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