

Marketing Fundamentals

Digital Marketing, Content Strategy, and Customer Engagement in Tourism

TANISH MASHAL

STUDENT_ID_HBT26001

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Executive Summary

In this report we will learn how tourism businesses are using digital marketing, content strategy and customer engagement, to convert prospective travellers in an omni-channel context. The digital landscape is in a state of constant fluctuation. We investigate whether lessons learnt in past years can be applied to adapt our promotional strategies. It presents the basic of marketing theory and the extended tourism marketing mix (7 Ps). Discuss the shift from push promotion to an integrated journey-based approach of Awareness, Consideration, Booking and Advocacy. Evaluate how user-generated content (UGC) and influencer marketing contributes to building trust and managing reputational risk. The report uses global campaigns of Tourism Australia as an industry case study to highlight how a destination marketing organisation (DMO) combines brand storytelling, creator partnerships and paid digital media to drive visitation. The report's conclusion is a handy 12-month framework for a digital campaign along with an implementation and budgeting plan and a set of key performance indicators (KPIs), including conversion rate, customer acquisition cost (CAC), engagement rate and so on, for tourism operators to measure the effectiveness of their marketing and return on investment (ROI) of the marketing spend.

1. Introduction

Digital technology changed how travellers find, assess, and reserve tourism experiences. We call this phenomenon 'multi-channel' and 'multi-platform' travel shopping. And the most impactful channel of all is word-of-mouth, especially from friends and family (Buhalis & Law, 2008). This investigation of how tourism businesses from destination management

organisations (DMOs) to independent hospitality brands can design and manage an integrated digital marketing strategy that reflects this changed environment.

This report looks at contemporary market and consumer behaviour in tourism, after which it applies segmentation, targeting and positioning (STP) and the extended marketing mix (7 Ps) in digital to the case study. Consequently, the report's applied focus on digital marketing, content strategy and customer engagement is addressed, outlining the shift to omni-channel customer journeys, the role of UGC and influencers in building brand trust, campaign performance measures and a worked example from Tourism Australia. The report concludes with a plan for implementation, an outline budget, KPI dashboard and strategic recommendations.

2. Market & Consumer Behavior Analysis

The worldwide tourism and hospitality market has completely transformed into a digital-first realm for research and purchase. According to Buhalis and Law, a majority of travellers around the world initially start their trip planning along online. They research prices, reviews and destination content before contacting a provider directly. These have three consequences for marketers. The decision-making process of the traveller is now non-linear. Consumers are moving back and forth between the content for inspiration, comparison and validation across platforms and devices. Moreover, research throughout the industry has shown that users trust recommendations from people they know, or from creators who feel real. In fact, they trust these recommendations more than the brands themselves and their advertising. The rise of the mobile device as the primary interface for travel research, means content must be designed for short-form, visually led consumption.

The experience and intangible nature of the product results in consumer tourism psychology as well. Since a traveller cannot test a destination before 'buying' it, he/she relies on trust signals (e.g. reviews, ratings, UGC, influencer endorsement and social proof) which substitute for inspection (Morgan, Pritchard and Pride 2011). This makes digital reputation management and authentic storytelling central to tourism marketing in a way that is not as important or relevant in many other consumer categories.

From a behavioural perspective, today's traveller segments are increasingly shaped by personal values and lifestyles rather than demographics alone. Eco-conscious travellers carefully consider a destination's sustainability credentials; digital nomads and remote workers prioritise reliable connectivity, affordable living costs and a sense of community; adventure tourists are attracted to immersive, benefit-focused content; and younger travellers seeking unique experiences are strongly influenced by what industry commentary often refers to as 'travel FOMO', which is fuelled by short-form video content. Effective digital marketing must recognise that these psychographic and behavioural groups frequently cross traditional demographic boundaries, such as age, gender or income.

3. Segmentation, Targeting, and Positioning (STP)

3.1 Segmentation

A digitally enabled tourism brand should divide its audience by combining demographic, geographic, psychographic and behavioural variables:

Demographic – This includes factors such as age, household income and life stage, including young professionals, families and retirees.

Geographic – This involves distinguishing between domestic and international source markets, while adapting digital campaigns to suit the language, preferred platforms and payment methods used in each region.

Psychographic – These focuses on values, interests and lifestyles, including groups such as eco-conscious travellers, luxury seekers and travellers who prioritise culture and authentic local experiences.

Behavioural – This considers booking lead time, the device used, engagement with previous campaigns and the traveller's position within the customer journey, such as browsing, comparing options or being ready to book.

3.2 Targeting

A differentiated targeting strategy is appropriate for most tourism brands. Instead of focusing on one broad mass market, digital channels allow marketers to run several tailored campaigns for different priority segments at the same time. For example, a destination marketing organisation (DMO) might create short-form video content for Gen Z and millennial travellers who are still in the inspiration stage, using platforms such as TikTok and Instagram. At the same time, it could run search and retargeting campaigns aimed at travellers who are ready to book and have already interacted with destination-related content.

3.3 Positioning

Digital channels make it possible for tourism brands to communicate one clear and consistent brand position across numerous customer touchpoints, while still adapting the creative style and message to suit each platform and audience segment. A suggested positioning statement for a destination or hospitality brand following a digital-first strategy is:

“For experience-seeking travellers who want authentic and shareable journeys, [Brand] is the tourism brand that transforms real traveller stories into the most trusted guide to [destination/experience], delivered through the platforms where travellers already spend their time – including social media, search engines and video platforms.”

4. Extended Tourism Marketing Mix (7 Ps) in a Digital Context

The traditional 7 Ps framework continues to provide a useful structure for tourism marketing. However, each element must be reconsidered and applied within a digital-first and content-led marketing strategy.

4.1 Product

In tourism, the ‘product’ refers to the complete customer experience, including accommodation, activities, service quality and the atmosphere of the destination. In a digital environment, the product is also represented through its online content footprint. This includes photographs, videos, customer reviews and creator-generated content, all of which influence a traveller’s expectations before they arrive.

4.2 Price

Digital channels allow travellers to compare prices in real time across Online Travel Agencies (OTAs), such as Booking.com and Expedia, direct booking websites and metasearch engines. This creates an important trade-off between distribution and pricing. OTAs provide valuable reach and make the booking process easier for customers, but they charge substantial commissions, typically ranging from 15–25%, and may weaken the brand’s direct relationship with its customers. By contrast, direct bookings allow a business to retain more of its profit margin and collect first-party customer data, but the brand must

generate its own website traffic through search engine optimisation (SEO), paid search and content marketing.

4.3 Place (Distribution)

In a digital tourism environment, 'place' includes owned channels, earned channels and paid or partner channels. Owned channels include the organisation's website, mobile application and email database. Earned channels include organic social media activity, customer reviews and media coverage. Paid and partner channels include OTAs, metasearch platforms, paid social media advertising and paid search advertising. A strong and resilient distribution strategy should reduce excessive dependence on OTAs while continuing to invest in direct channels that help protect long-term profit margins and maintain ownership of valuable customer data.

4.4 Promotion

Promotion has moved away from relying primarily on broadcast advertising and towards integrated marketing communications (IMC), which combine paid media, owned content and earned customer advocacy. Content strategies involving destination guides, short-form videos, influencer partnerships and user-generated content (UGC) campaigns now operate alongside traditional advertising as major promotional tools. These approaches are discussed in greater detail in Section 5.

4.5 People

Front-line employees, online community managers and content creators increasingly act as brand ambassadors. The quality-of-service customers receive during their trip is often transformed into digital content, including online reviews, social media posts and travel

recommendations. This creates a direct connection between the People and Promotion elements, because the customer's service experience can become promotional material that influences future travellers.

4.6 Process

The digital booking process has a direct impact on conversion rates and on the likelihood that customers will share a positive online experience. Important elements include website usability, mobile checkout, chatbot assistance and post-booking communication. Any unnecessary difficulty or delay during the online customer journey can increase cart abandonment and reduce the return on investment from paid media campaigns.

4.7 Physical Evidence

In a digital context, physical evidence includes the visual and interactive proof that supports the credibility of a tourism brand. This may include website design, mobile application interfaces, branded content, visual style and the combined collection of traveller photographs and reviews. Since travellers cannot physically experience the tourism product before making a purchase, this digital form of physical evidence plays an important role in shaping perceived credibility, trust and booking confidence.

5. Digital Marketing, Content Strategy, and Customer Engagement

5.1 From Push Promotion to the Omni-Channel Customer Journey

Traditional tourism marketing generally relied on a push model, where advertising messages were broadcast to a broad audience with limited targeting, interaction or feedback. Digital

marketing has replaced this approach with an omni-channel customer journey that is commonly understood through four main stages:

Awareness – At this stage, travellers become interested in a destination through destination-related content, short-form videos or paid social media advertising. This often occurs before they have actively started planning a trip.

Consideration – During this stage, travellers compare destinations, accommodation options and experiences through search engines, review platforms, OTAs and creator content. They may also interact with retargeting campaigns based on their previous online activity.

Booking – At this point, the traveller completes a purchase through a direct website, mobile application or OTA. Website usability, customer reviews, secure payment systems, trust signals and transparent pricing are especially important in influencing the final decision.

Advocacy – After the trip, travellers may share reviews, photographs and social media content. This user-generated content then contributes to the Awareness stage for future travellers, helping to complete and renew the marketing cycle.

This journey is described as omni-channel rather than simply multi-channel because it focuses on creating a seamless and consistent experience across different devices and platforms. For example, a traveller may first watch a TikTok video, later click on a retargeted Instagram advertisement and eventually complete a booking through a mobile application. Throughout this process, the brand experience and core messaging should remain consistent and connected at every stage.

5.2 UGC and Influencer Marketing: Trust versus Reputational Risk

User-generated content (UGC) and influencer marketing have become important parts of tourism promotion because they help replace the intangible nature of the travel product with the credibility of real people, peers and content creators. Industry research consistently indicates that consumers tend to trust content created by people they know or consider genuine more than traditional advertising produced directly by brands. A large proportion of travellers also report that recommendations from other people and UGC have a meaningful influence on their booking decisions.

This creates several valuable opportunities for tourism brands. UGC campaigns, including branded hashtags, traveller photography competitions and review-sharing programs, can produce affordable, high-trust content on a large scale. Influencer and creator partnerships can also help tourism brands reach highly engaged niche audiences, such as adventure travellers or people interested in sustainable tourism, more efficiently than broad-reach advertising. In this way, creators can introduce destinations to audiences that are already interested in particular types of travel experiences.

However, these same advantages can also create reputational risks. Tourism brands have limited control over the creative direction and final content produced by users and influencers. As a result, content may unintentionally misrepresent a destination, overlook cultural sensitivities or highlight negative experiences just as quickly as it promotes positive ones. Sponsorships that are not clearly disclosed can also create regulatory and trust-related problems, particularly because advertising standards generally require paid partnerships to be identified openly.

Viral content can create another risk that is especially relevant to tourism: over-tourism. A single popular video can result in an unmanaged increase in visitors to a fragile natural, cultural or heritage site. This can place pressure on local communities, damage the environment and create operational difficulties for destination managers. In this situation, the effects of UGC extend beyond marketing and directly influence destination management.

For this reason, effective tourism marketers treat UGC and influencer campaigns as requiring the same level of planning and governance as traditional media. This includes providing clear campaign briefs, ensuring that sponsorships are properly disclosed, monitoring branded hashtags, moderating inappropriate content and developing rapid-response procedures for potential reputational issues.

5.3 Tracking Effectiveness: ROI and KPIs

Digital channels allow tourism marketers to measure campaign performance with considerably greater precision than most traditional media. By using platform analytics, website data and booking information, marketers can identify which activities generate awareness, engagement, enquiries and completed bookings. Core metrics for a tourism-focused digital campaign include the following:

Conversion rate – This is the percentage of engaged website visitors who complete a booking or submit an enquiry. It should be tracked by channel and campaign to determine which content, and platforms encourage actual action rather than simply generating awareness.

Customer Acquisition Cost (CAC) – This is calculated by dividing total marketing expenditure by the number of new bookings acquired. CAC should be compared with the

average booking value to confirm that campaigns are generating customers at a profitable cost.

Engagement rate – This includes likes, comments, shares and saves in relation to the total reach of the content. It can provide an early indication of whether content is connecting with audiences during the Awareness and Consideration stages.

Return on Ad Spend (ROAS) and overall ROI – These measures assess the revenue generated for each dollar invested in marketing. They should be considered across the complete customer journey rather than being judged through the performance of one isolated channel.

UGC and advocacy metrics – These include the number of posts using a branded hashtag, the volume and sentiment of customer reviews, the amount of UGC created and the brand's share of voice compared with competing destinations.

A disciplined measurement approach assigns these metrics across the entire customer journey. This can be supported through UTM tracking, platform analytics and, where privacy regulations permit, cross-device attribution. Marketers should avoid giving all the credit to the final click before a booking, known as last-click attribution, because this approach can undervalue content that influenced the traveller during the earlier Awareness stage.

5.4 Case Study: Tourism Australia's Digital-First Campaigns

Tourism Australia, the national organisation responsible for promoting Australia as a tourism destination, provides a useful real-world example of an integrated digital campaign. Its 'Come and Say G'day' campaign, launched in 2022 as the latest stage of the long running 'There's Nothing Like Australia' platform, was designed to encourage travellers who were

already considering Australia to move towards confirmed bookings. The campaign combined traditional broadcast creative with a strong digital and social media distribution strategy across several international markets.

More recently, Tourism Australia has placed greater emphasis on UGC and creator-led advocacy through a campaign connected to what its Chief Marketing Officer described as the organically developed ‘Australia Effect’. This refers to the large collection of social media content produced by working-holiday visitors who document their lifestyle and travel experiences in Australia. Tourism Australia’s CMO has stated that the advocacy generated when international visitors share their experiences is a powerful contributor to this effect and that it has been intentionally incorporated into the organisation’s marketing approach.

Rather than depending entirely on advertising created by the organisation itself, Tourism Australia has worked with content creators to amplify genuine traveller stories. This approach reflects the trust dynamics discussed in Section 5.2, where audiences may respond more positively to experiences shared by real visitors than to polished brand messages alone.

From an operational perspective, Tourism Australia supports this content strategy through a dedicated agency structure. Its creative and digital services are managed through an appointed panel of agencies under a multi-year agreement. At the same time, separate tenders are used for social media management in priority markets, including China, Japan and South Korea.

This structure demonstrates a practical principle that can be applied by tourism brands seeking to expand their digital content activities: global brand consistency should be managed centrally, while local market execution should be adapted and managed regionally. This is particularly important for social media platforms and languages where head-office teams may not have detailed local knowledge or native-language fluency.

5.5 A 12-Month Digital Campaign Framework

The following framework explains how a tourism brand or destination marketing organisation (DMO) could organise a 12-month digital campaign around the Awareness–Consideration–Booking–Advocacy customer journey.

Phase	Timing	Key activities	Primary KPIs
Awareness	Months 1–3	Publish short-form videos, introduce influencer and creator seeding, run paid social reach campaigns and launch an SEO content hub.	Reach, video views and engagement rate.
Consideration	Months 4–6	Use retargeting advertisements, publish destination guides, launch a UGC hashtag campaign and develop an email nurture sequence.	Click-through rate, time on site and email open and click rates.
Booking	Months 7–9	Create conversion-focused landing pages, retarget customers who abandoned the booking process and introduce OTA and direct-channel promotions.	Conversion rate, CAC and ROAS.
Advocacy	Months 10–12	Send post-trip review prompts, reshare UGC, provide loyalty or referral incentives and monitor online sentiment.	Review volume and sentiment, hashtag volume and share of voice.

6. Implementation, Budgeting & KPIs

The successful implementation of the framework depends on coordinating the budget, staff responsibilities and reporting schedule with each stage of the customer journey. Rather than distributing marketing expenditure evenly and without a clear purpose throughout the year, tourism organisations should allocate resources according to the specific objectives of each phase.

6.1 Indicative Budget Allocation

Budget category	Percentage of digital budget	Rationale
Paid social and video (Awareness)	30%	Builds top-of-funnel reach and distributes inspirational content to potential travellers.
Search, SEO and retargeting (Consideration)	25%	Reaches active researchers and reconnects with audiences who have already shown interest.
Influencer and creator partnerships	20%	Provides trusted and authentic content across the Awareness and Consideration stages.
Conversion optimisation and direct channels (Booking)	15%	Helps protect profit margins by strengthening direct bookings and reducing over-reliance on OTAs.
Analytics, tools and content production	10%	Supports campaign measurement, UGC moderation and the development of creative assets.

6.2 KPI Dashboard and Reporting Cadence

A monthly reporting schedule is recommended, supported by a shorter weekly review of paid-media pacing and a more detailed quarterly evaluation connected to each phase of the 12-month campaign framework. This approach allows the team to monitor immediate performance while also assessing longer-term progress.

Recommended dashboard metrics can be organised according to the customer journey:

- **Awareness** – Reach, impressions and video completion rate.
- **Consideration** – Click-through rate, cost per click and website engagement.
- **Booking** – Conversion rate, CAC and ROAS.
- **Advocacy** – Review volume and sentiment, UGC volume and referral rate.

Tracking metrics by journey stage, rather than reporting only one combined ROI figure, helps marketers identify exactly where a campaign is performing below expectations. This makes it easier to adjust the strategy and move budget towards the channels or activities that are producing stronger results.

7. Conclusion & Recommendations

Digital marketing has changed tourism promotion from a linear and largely brand-controlled process into a connected, journey-based model in which peer trust, creator content and real-time measurement play central roles. Applying the extended marketing mix in a digital environment demonstrates that Promotion, People and Physical Evidence are now closely connected through content. For example, a satisfied traveller's online review, photograph or social media post can become the next traveller's Physical Evidence and also function as a form of Promotion.

The Tourism Australia case demonstrates that even a well-resourced destination marketing organisation cannot rely only on paid advertising to build trust at scale. UGC and creator advocacy have become important ways of showing potential visitors what genuine experiences in a destination can look like. These forms of content can make a destination feel more relatable, credible and emotionally engaging.

Based on this analysis, the report recommends that tourism operators:

1. Develop a content calendar organised around the different stages of the customer journey instead of relying on one broad and undifferentiated campaign.
2. Invest deliberately in UGC and influencer governance, including sponsorship disclosure, content moderation and rapid-response procedures, so that the trust benefits of creator content can be captured while reputational and over-tourism risks are managed.
3. Measure KPIs across the Awareness, Consideration, Booking and Advocacy stages rather than relying exclusively on last-click attribution, which may overlook the contribution of early-stage content.
4. Protect long-term profit margins by balancing OTA distribution with continued investment in direct booking channels and first-party customer data.

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Appendices

Appendix A: Sample Branded UGC Hashtag Campaign Brief (Outline)

- ☐ Campaign name and branded hashtag
- ☐ Target segments and platforms
- ☐ Content guidelines and disclosure requirements for participants
- ☐ Moderation and rapid-response protocol for negative or off-brand content
- ☐ Incentive structure (e.g., featured repost, prize draw) and legal terms

Appendix B: Suggested KPI Dashboard Layout

- ☐ Awareness panel: reach, impressions, video completion rate (weekly)
- ☐ Consideration panel: CTR, cost per click, site engagement (weekly)
- ☐ Booking panel: conversion rate, CAC, ROAS (monthly)
- ☐ Advocacy panel: review sentiment, UGC volume, referral rate (monthly)

