

STATE OF MODERN RETAILING REPORT 2025

# TRAVEL'S TIPPING POINT

5 pivotal trends shaking up retailing in 2025

If you thought 2024 was a ground-breaking year for travel, you ain't seen nothing yet. As we enter 2025, tectonic plates are shifting in the retailing space. There's a tug-of-war happening with distribution, new business models paying serious dividends, while more and more disruptors are eyeing travel for their next move. And the robots are still coming, as AI's true potential in travel becomes clearer.

All indicators signify that travel is at a tipping point. A watershed moment, where change spreads like never before. Other industries — like banking, fashion, and entertainment — have already experienced this, and can offer learnings on digital disruption. By taking this outside-in approach, and looking to the world's best retailers, we can help travel stay on par with what consumers today really expect.

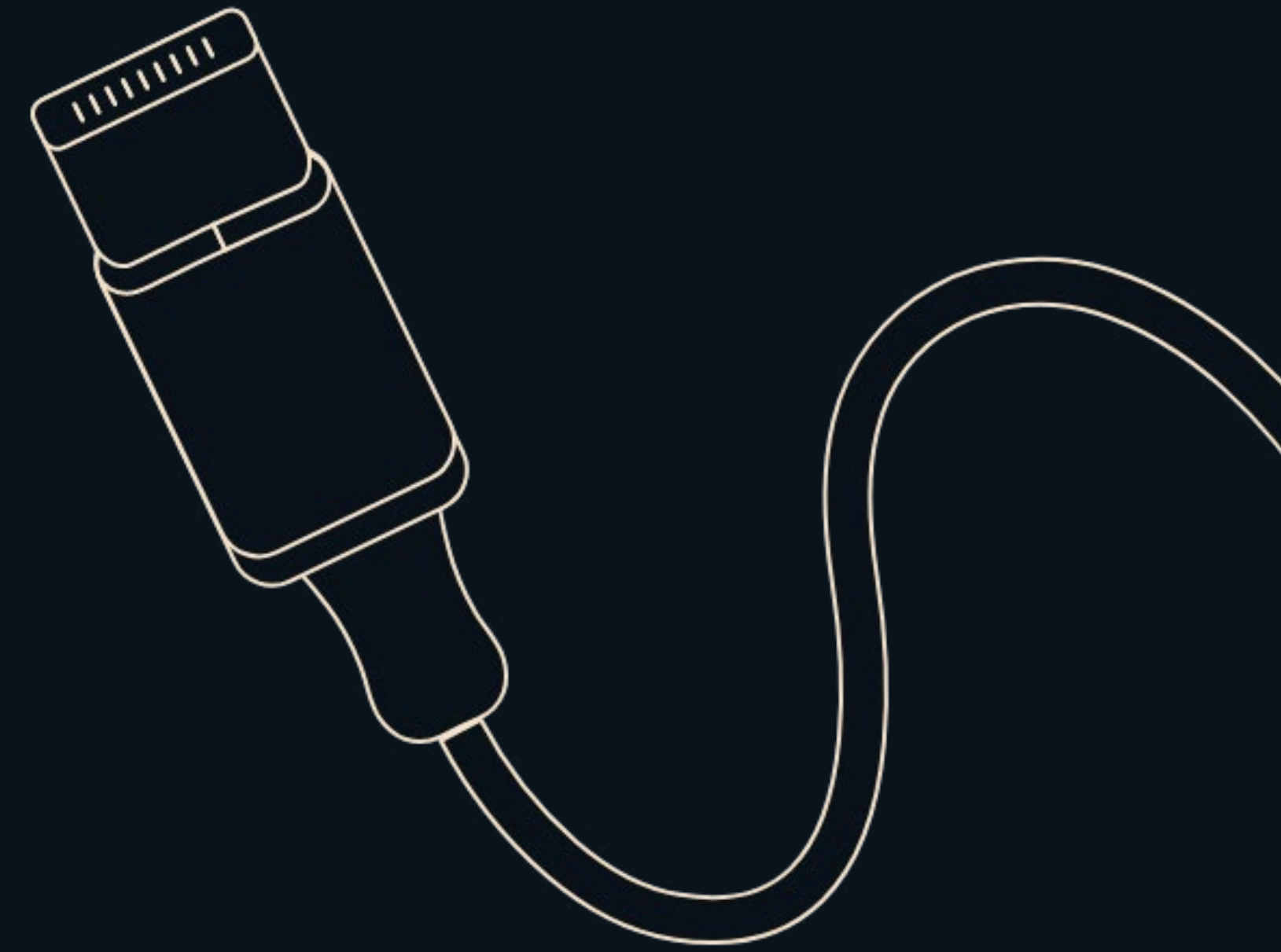
# 5 RETAILING PREDICTIONS FOR 2025

Travelport asked 2,100+ consumers globally about the changes they're witnessing in other industries. New things they like (and don't like), what they want to see more of, and what makes a great retailing experience. After all, the same people who buy travel also buy other things, right? Therefore, they expect a similar service. We think travel is at a tipping point. And we've used this research to create five predictions that will shape big change in the months to come.

Travelport asked

2100+

consumers globally about the changes they're witnessing in other industries.



**1.**

**CONSUMER-WASHING ENDS.  
RADICAL TRANSPARENCY BEGINS.**

You’ve heard of greenwashing. Now meet “consumer washing” — a.k.a. companies doing things they *pretend* are in the consumer’s interest, but really, it’s about profit.

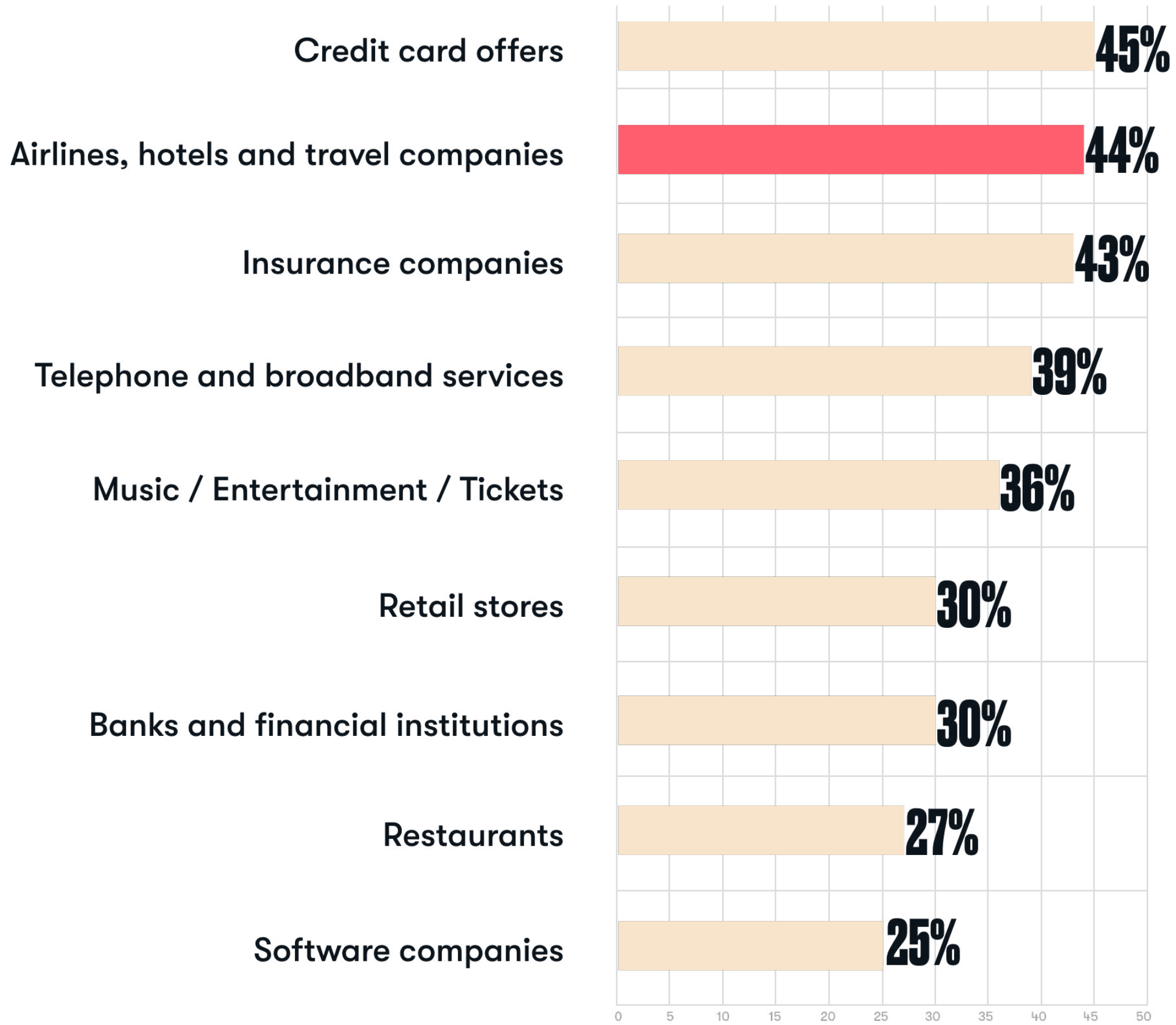
For example, LinkedIn wants you to keep your job title up to date ‘for recruiters’. Nothing to do with advertising data, wink-wink nudge-nudge. Apple claims its brand-specific (and expensive) Lightning Port™ charger works better, yet the now-standard USB-C alternative is twice as fast, indicating that its more about control than consumer interests. BMW tried and failed to present heated seats as an ‘additional service’ — but customers balked at the idea of being charged extra for hardware that already exists. They had to put the brakes on that idea pretty quickly.

And in travel, hotels often claim that encouraging customers to reuse their towels is solely for environmental reasons. But it’s also a great way for the hotel to cut down on servicing costs.

As more and more examples emerge, consumers are getting wise to this. We asked consumers how travel fares against other industries in this respect. People believe airlines, hotels, and travel companies partake in consumer washing via misleading prices (44%). And only credit card company offers were considered more misleading (45%).

Results from the survey

INDUSTRIES MOST GUILTY OF USING MISLEADING PRICING



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## **Travel is at a tipping point where radical transparency and a focus on consumer lifetime value is the only way forward.**

This is the only long-term, commercially sustainable business model. Just look at retailers elsewhere. IKEA doesn't hide the fact that you have to buy baskets separately for its much-loved Billy bookcase. Hasbro will tell you loud and clear: batteries not included. And we all know: guac is extra.

Low-cost carriers (LCCs) often make headlines for hidden charges. But the truth is, LCCs actually make this information readily available — possibly even more so than traditional carriers — because they provide prompts and warnings at many stages of the booking and throughout the journey. Some LCCs even go as far as aligning their controversial, hard line on fees with their brand promise. *Caveat emptor*, let the booker beware, and all that.

And while LCCs typically have a fairly simple set of costs, traditional carriers, on the other hand, have a lot less consistency when it comes to things like luggage allowances — “is that transatlantic or regional international?”, or change fees — “depends on that ticket type, could be \$25 or \$400”.

But it's not just airlines coming under fire. Hidden resort fees are another big bug bear for travelers — so much so that the US House of Representatives is now moving ahead with anti-junk fees legislation.

There's a huge opportunity for travel agencies to solve problems here. As trusted advisors, only they are positioned to offer the transparency people so badly need. Agencies with data enrichment tools that plug in to tech stacks can simplify offers and fees for everyone. And offer that radical transparency consumers need. Modern retailing isn't sweeping clauses and caveats under the carpet. It's about being honest with buyers — and knowing that honesty engenders loyalty. For travel, here's what that could look like in practice.

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Instead of	You get
“Penalties” as a source of revenue. Bundles that hide charges, resort fees, cleaning fees	The price you see is what you actually pay
Pages of jargon-filled terms and conditions, available in English only	Clear purchase conditions and change policies up front
Sifting through pages of irrelevant offers	A curated list of relevant offers that suit your needs
Only seeing one brand (DTC selling)	Access to a range of clear, easy-to-compare options
Slow, unsatisfactory customer service	Fast, customer-centric solutions

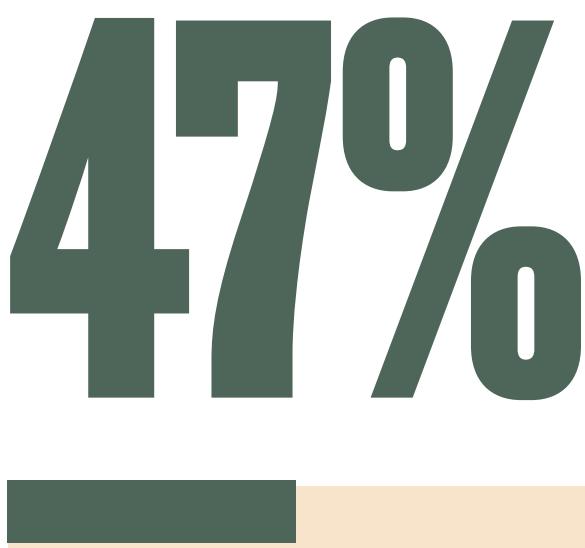
**2.**

# TRAVEL'S HEADING FOR A TECH AND MINDSET SHIFT

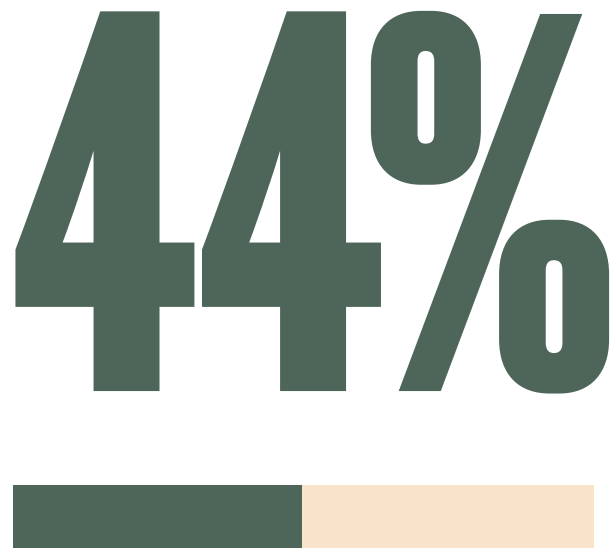


While some companies are busy playing the consumer-washing game, others are winning hearts and minds by giving people what they really want — an easy life. Studies show our brains are drawn to things that make sense and lose interest in things that don't. Many modern retailers know this and use it to stand out in an increasingly complex world.

Like Venmo, Monzo, and Revolut, who have completely shaken things up in the financial services space. They won a chunk of market share by being faster, easier, and — let's face it — more fun to use. Their appeal isn't just about instantly transferring money, you can also get an AI-powered loan in minutes, trade stock, or buy cryptocurrency.



feel the new players have made managing personal finances easier compared to five years ago



of consumers feel that fintech apps have reduced the complexity of managing finances

Almost one in three people in the US now use Venmo. And, according to [a recent report by Revolut](#), its rising popularity with big business is because they believe 'legacy banks' are too slow. The banks, for their part, seem to be taking a 'if you can't beat 'em, join 'em' approach by overhauling their own apps. But their efforts in countries like the [UK](#) and [Ireland](#) have completely failed so far.

You could say that travel today is in a similar place today as banking was five/ten years ago. Fintech has got its act together, and is way simpler today than it was five years ago. Travel seems to be headed in a different direction. As we learned in [Travelport's 2024 research](#), people are finding travel retailing more complicated, confusing, and frustrating than ever.

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# 56%

of travelers think travel is more complex now than it was ten years ago



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## Travel can take two lessons from all this.

### 1. Culture and mindset

Banks took ‘digital transformation’ to mean transferring a bunch of century-old processes into app format. Disruptors did not. Instead, they ripped up the rule book and took a customer-centric view on what needed to change. They went for the jugular on little inconveniences that really make or break a user experience. Like making onboarding easier by drip-feeding regulatory requirements. They’re mobile-first and always on. And everything about their UX is modern and joyful — they even let you use GIFs and emojis. The result? Their digital experience isn’t just a fancy bank. It’s a totally reimagined way to bank.

### 2. Ruthless efficiency

With a new tech stack, fintech apps can automate more and are faster than legacy banks. They offer customers more data and insights. And, as their user base grows, they ensure service doesn’t suffer by using cloud-native, micro-services architecture to scale rapidly. This API-led approach allows for parallel development and deployment of different features, accelerates new launches, and enables seamless integration with other financial services. It also allows them to expand reach, even into travel.

Travel is gearing up for its fintech moment. Currently, the distribution ecosystem is complex. Air content is available via EDIFACT or API. The APIs are NDC or non-NDC. NDC implementations are inconsistent. And, over the next ten years, more changes will come. New content types. New data sets. New operating systems. You get the picture.

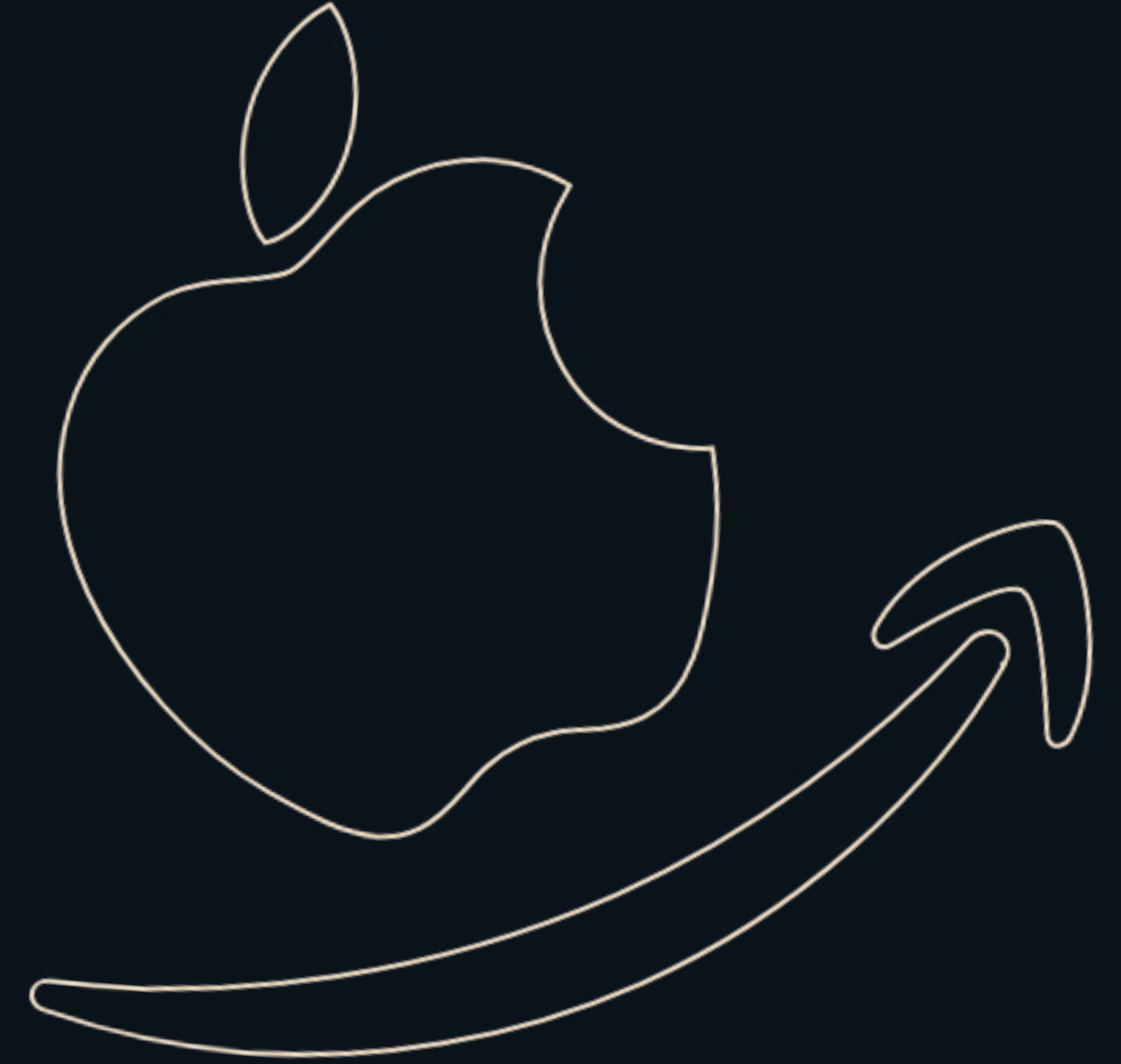
When that moment comes, who will be the banks and who will be the Venmos? This will be determined by your choice of tech stack. If you’re not up to speed with APIs, have no cloud-based micro-services, and not engaging with NDC you’ll be left behind. You’ll be the bank — not the trusted modern retailer.

Travel is gearing up for its fintech moment.

**WHO WILL BE  
THE BANKS AND  
WHO WILL BE  
THE VENMOS?**

**3.**

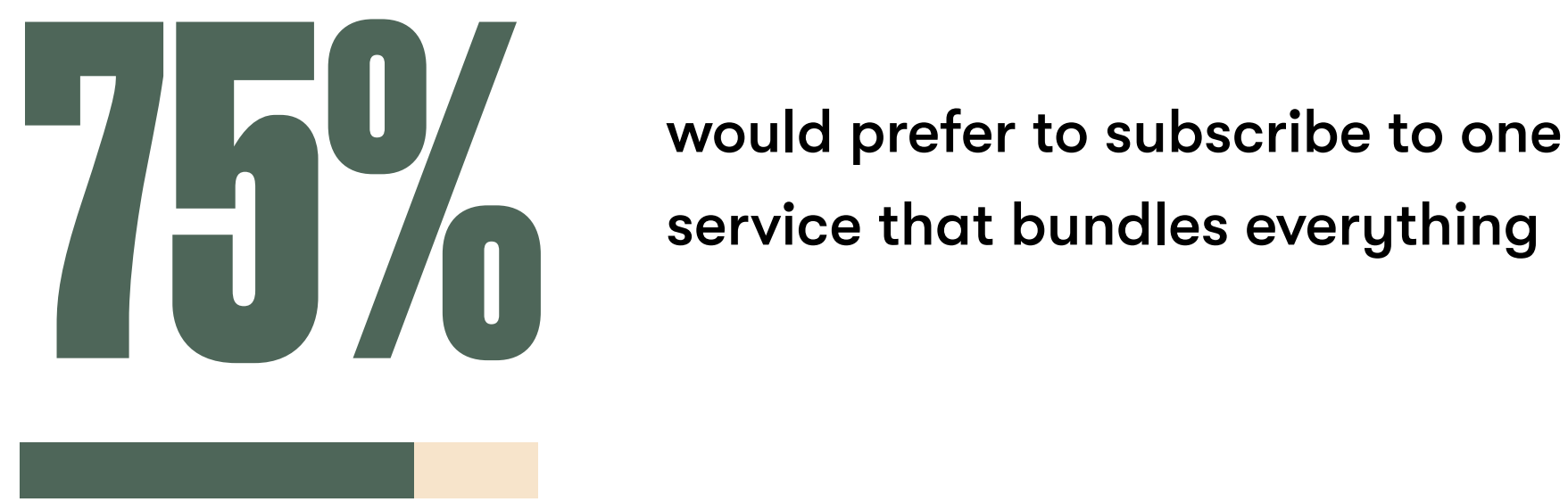
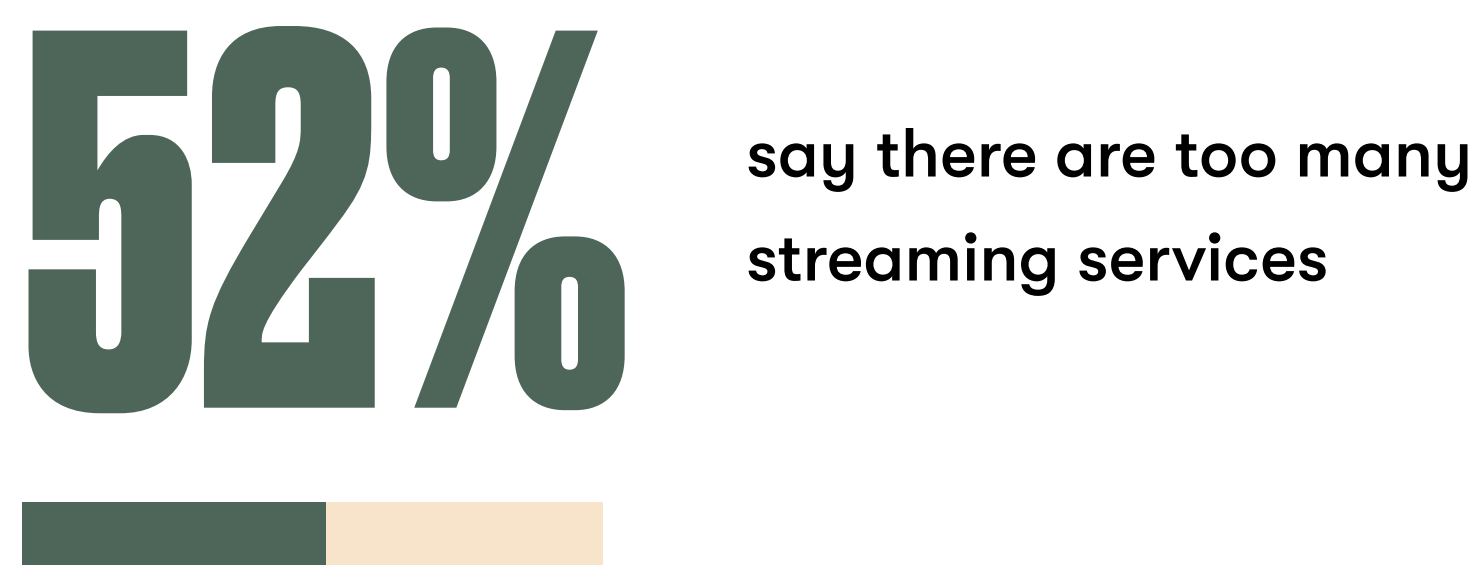
# UNLIKELY BRANDS FORM DISTRIBUTION ALLIANCES



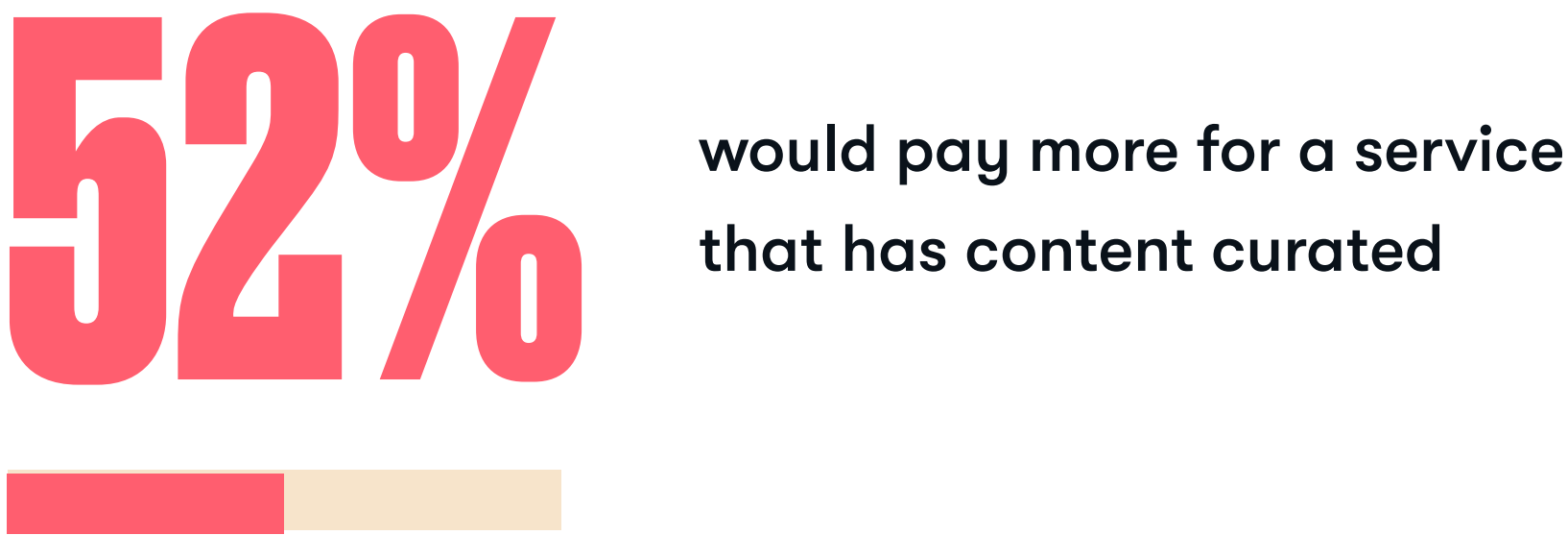
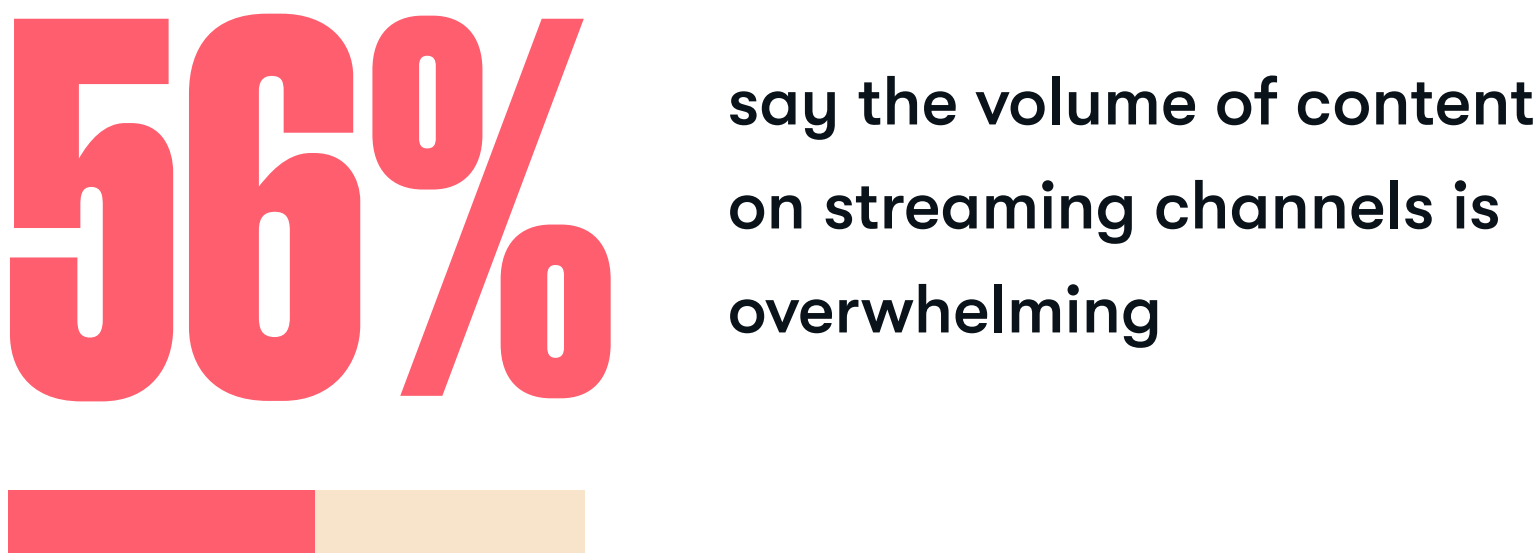
In late 2024, Apple TV agreed a deal to be distributed as an add-on subscription on Amazon Prime. Why would two huge competitors come together to bundle their products this way? One reason is economics. Apple has spent more than \$20 billion on original content, only to get a meagre 0.2% of the US audience. More people watch Netflix in a single day than stream Apple TV Plus in an entire month. The other big reason is choice fatigue.

We’ve reached a tipping point where there are now far too many streaming services to choose from. What’s that got to do with travel? Well, just like the streaming sector, travel too is experiencing an explosion of new content options and places to consume them. This is happening as a result of NDC, and airlines (understandably) wanting to attract more direct customers. And having more choice is great. But there’s a fine line where choice becomes choice overload.

From our findings, we can see that consumers struggle with choice overload and option paralysis in two ways. One — they find it difficult to choose a **brand** from the many available options. Staying with the example of streaming services, here’s how they feel about the number of providers right now.

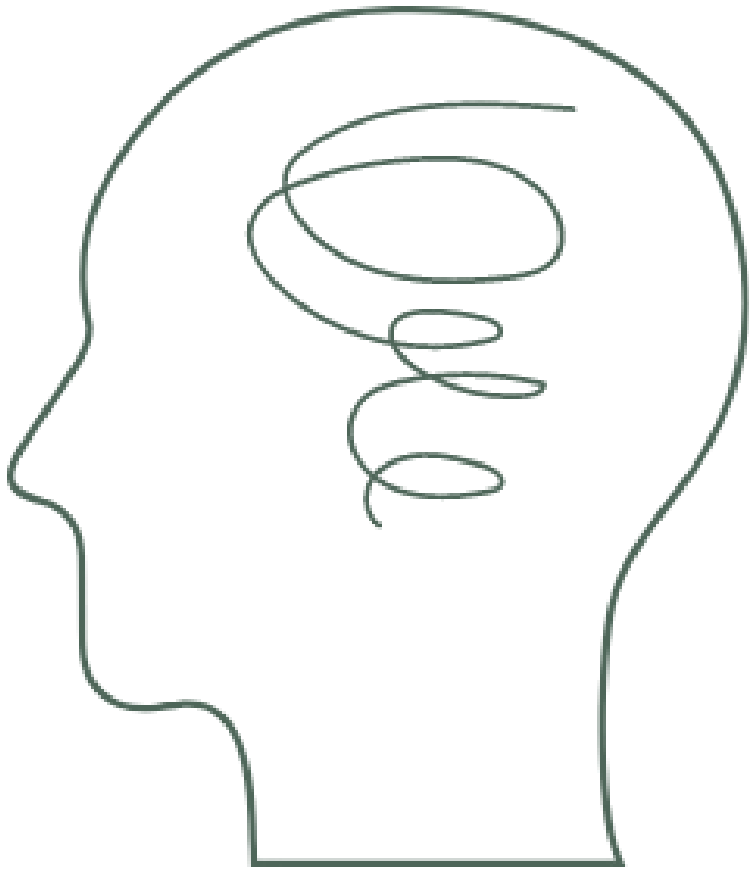


And two — when they do decide, they’re overwhelmed by the number of **options** available from their chosen provider. This creates a negative customer experience. And it also explains why people are now willing to pay more for curated content.



The best way to build loyalty is by meeting people wherever they choose to shop. That’s why, just like Apple and Amazon Prime, big travel companies are making compromises on distribution to help consumers find and consume their content in places not possible before. Even the most unlikely low-cost carriers are changing tack and opening up their content to OTAs and TMCs. Meanwhile, some of the world’s largest traditional carriers are shifting their strategy back to a more balanced, multi-channel strategy. Why? Because they now know first-hand that relying solely on a direct-to-consumer strategy doesn’t work.

In this age of excess, consumers crave a trusted partner to help them choose. It’s one thing to now have to select between a dozen or so streaming platforms. But 400+ airlines, with millions of dynamic offers? Travel has no choice but to adapt.

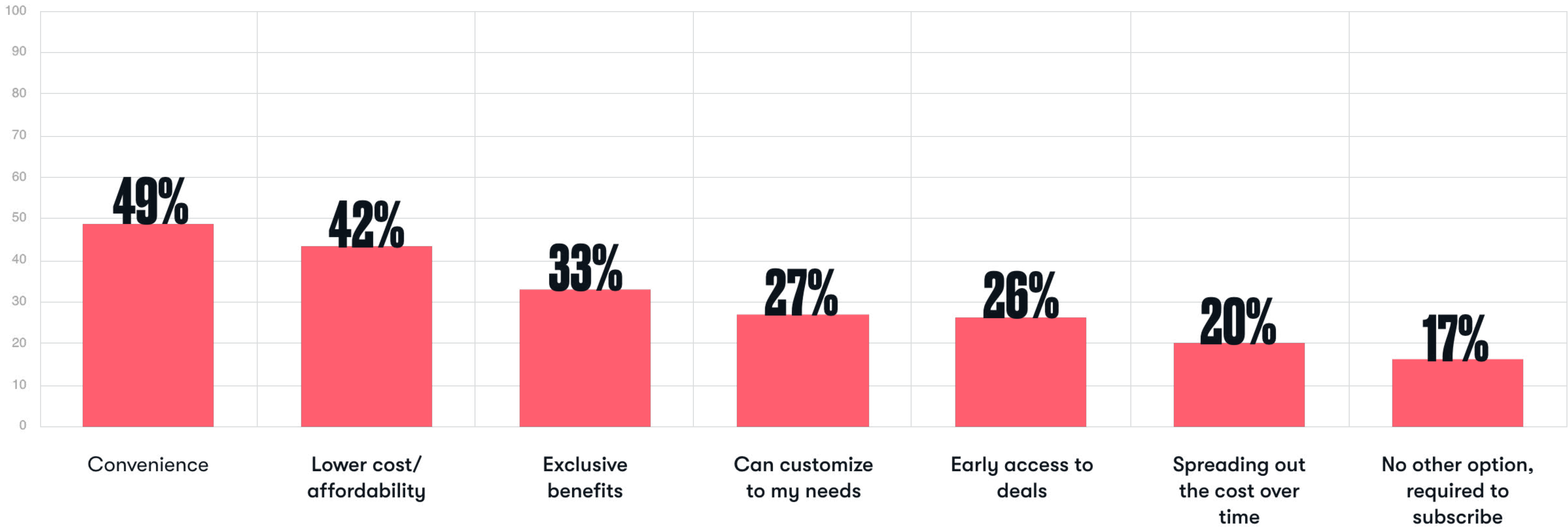


4.

# TRAVEL SUBSCRIPTION SERVICES TAKE OFF



# WHAT ARE THE KEY REASONS YOU CHOOSE A SUBSCRIPTION MODEL?

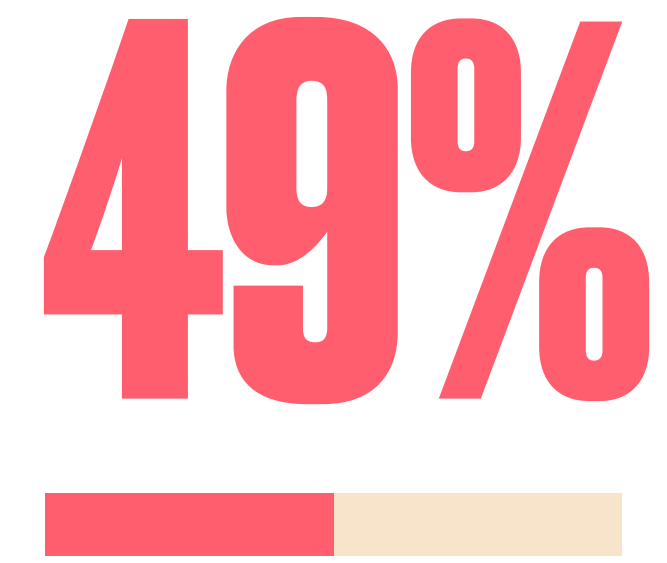


And speaking of subscription...it seems like almost every industry has embraced this business model. From beer to bikes to books, our research found that almost eight in ten adults now use some sort of subscription service. They cite time-saving, money-saving, and convenience as their main draws.

Travelers are increasingly turning to subscriptions too. With over 6.5 million Prime customers, eDreams ODIGEO is now one of the world’s largest subscription programs in any industry. Last year, subscribers grew by nearly 1.5 million and it aims to hit 7.25 million members in 2025, with the model now being the company’s largest contributor of revenues and margins.

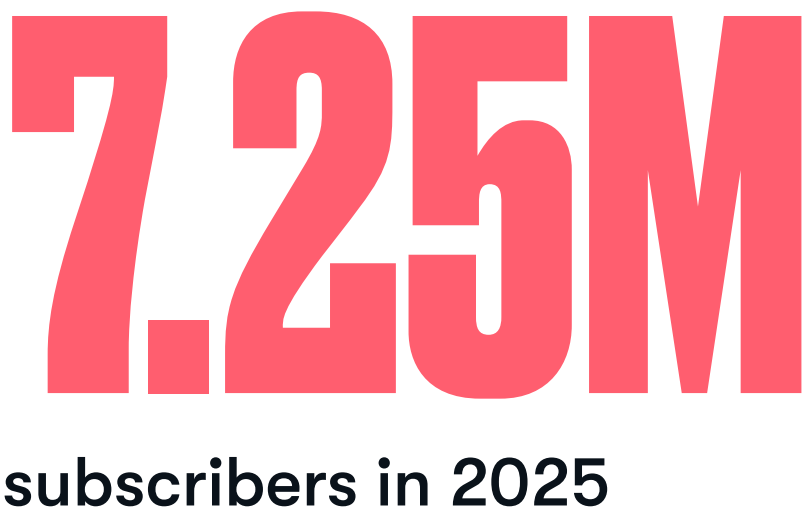
Subscription programs are also highly appealing to investors. They offer a steady stream of recurring revenue, tend to outperform traditional business models during economic downturns, and significantly boost customer lifetime value.

We dug a bit deeper into what consumers think of the concept, and the first thing that emerged was that not many people actually know it’s a thing.



of respondents didn’t know  
travel subscription models exist

eDreams ODIGEO  
subscription program  
aims to hit



That’s partly because, until now, travel brands have largely focused on loyalty programs to retain customers. But the findings show that people who travel as little as three times a year would be open to the idea.



## TRAVELERS ARE OPEN TO SUBSCRIPTION SERVICES

58% of people who travel just three times a year would consider signing up.



## YOUNGER TRAVELERS ARE MORE LIKELY TO SIGN UP

Gen Z were more likely to consider signing up to a travel subscription program than any other age group.



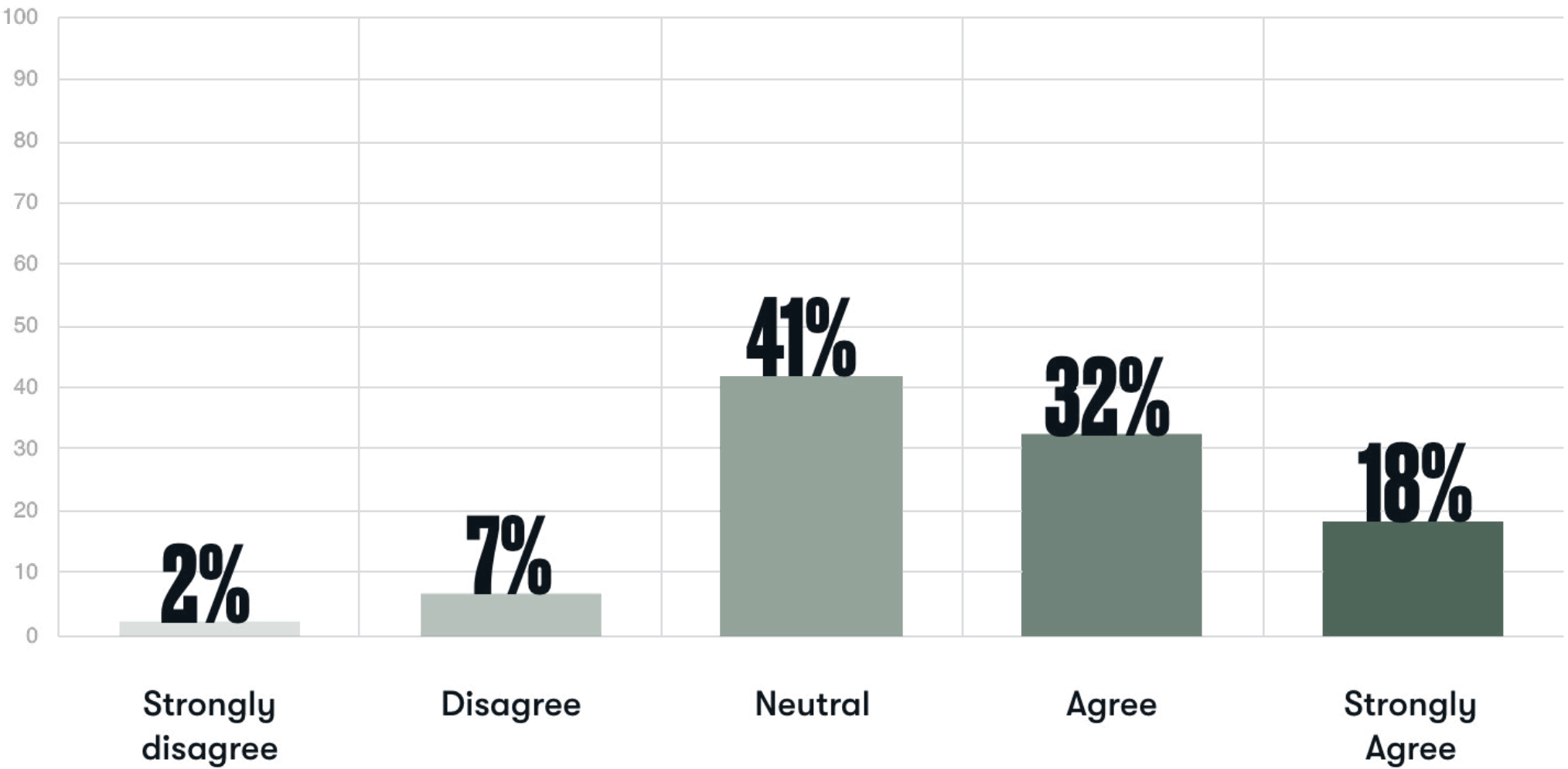
## THE LOYALTY PROGRAMS OF THE FUTURE?

35% of travelers would consider signing up for a travel subscription program in future.

OTAs could have the edge when it comes to subscription models over airline loyalty programs in the leisure space. Consumers tend to look more favorably on OTA loyalty schemes versus supplier direct schemes run by airlines. And our findings show people are willing to pay more for complex subscription plans as long as they deliver exclusive benefits, early access to deals, and reduced prices by signing up.

## AGREEMENT WITH STATEMENT

*“I prefer online booking platform loyalty programs over airline loyalty programs.”*



Source: Skift Research Online Travel Behaviour Survey, U.S.

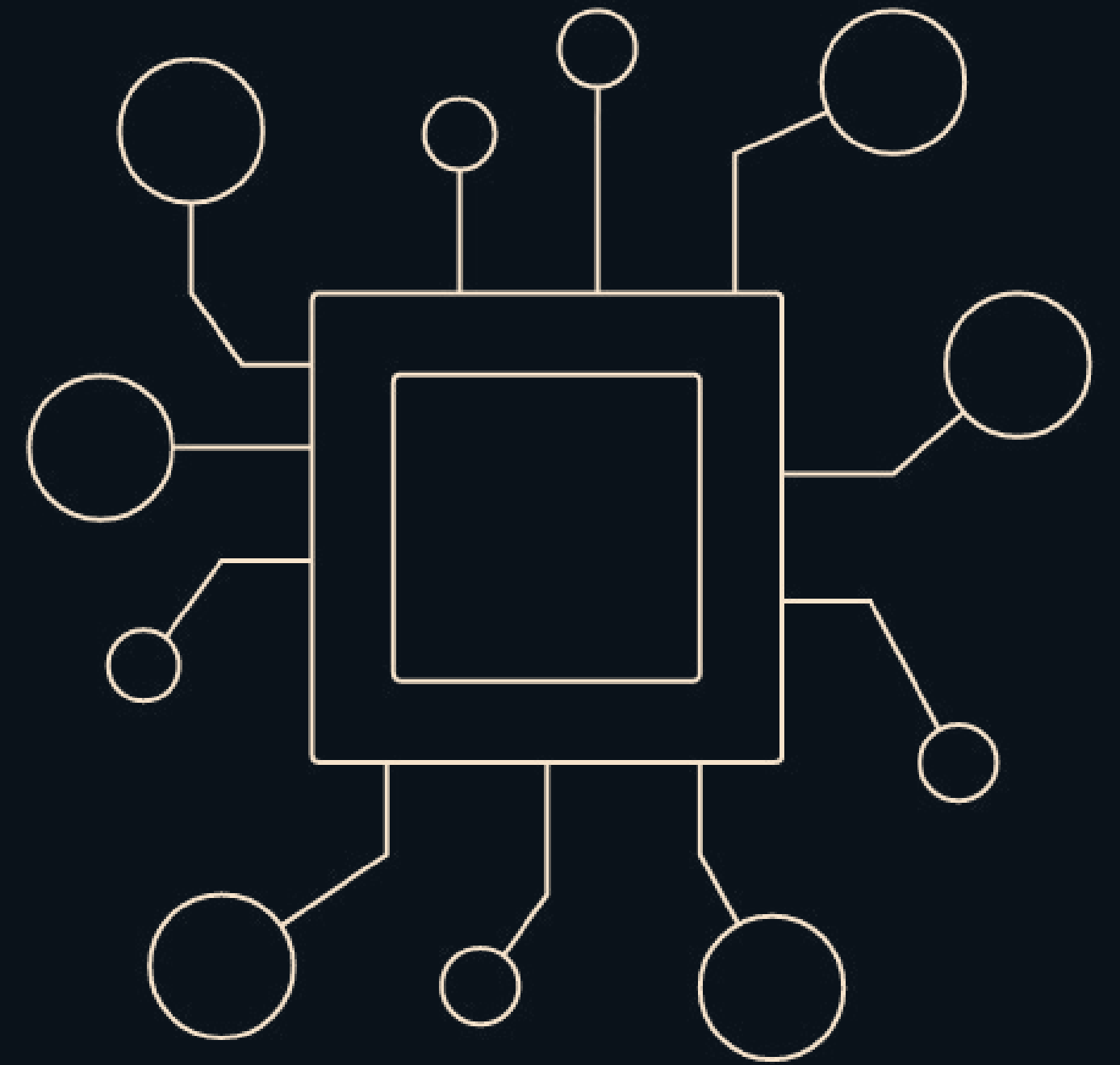
Plus, if you’re an OTA, you’ll know all about the increasing customer acquisition costs imposed by Google and ad tech companies. The performance marketing hamster-wheel just seems to get bigger and bigger, and the question remains as to whether the ad spend buys long-term loyalty.

All this means we may see more OTA entrants into the travel subscription space in 2025. But wait, didn’t we just say that people don’t like having too many options to choose from? Won’t a ton more subscription services just confuse them even more?

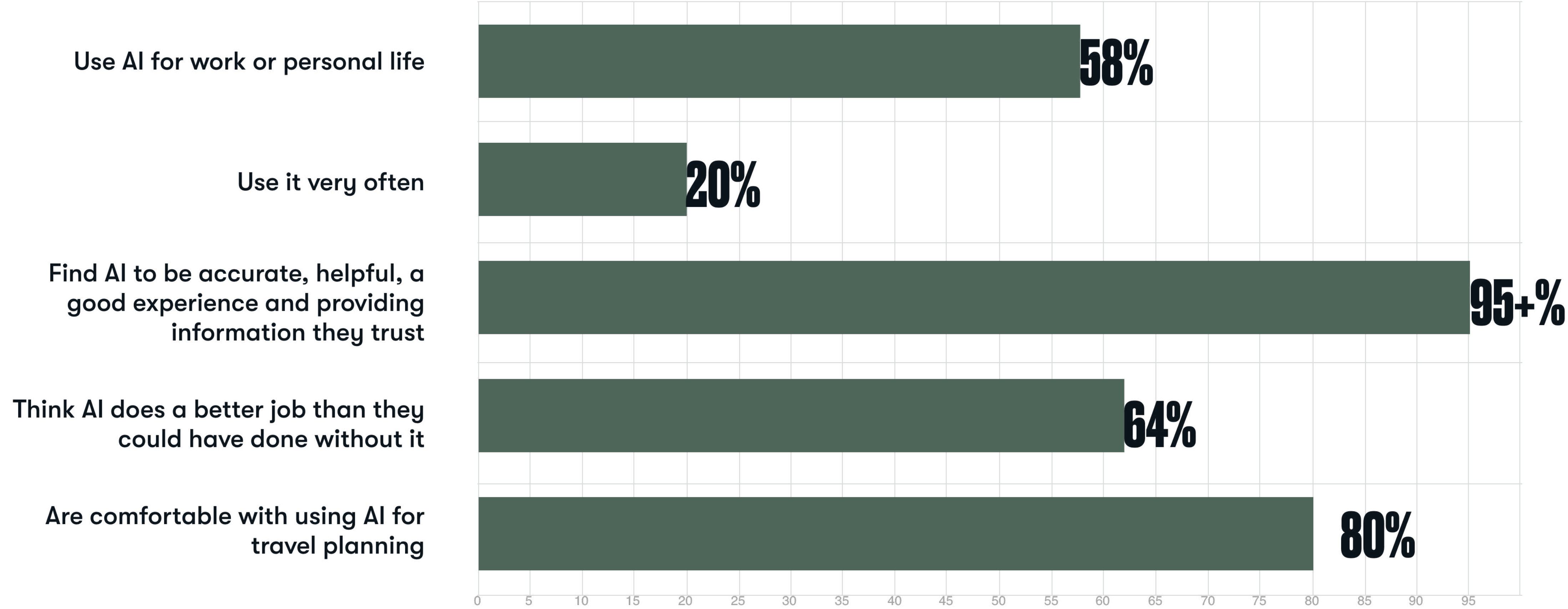
Look at it from this angle. So far only one brand has seen the tipping point coming and acted fast to capture almost 6 million subscribers. But there are still billions more travelers. While streaming services all offer more or less the same types of content, there are still plenty of niches for travel to tap into — from luxury travel to bargain hunters, all the while focusing on curation as a way to add value. The data shows, more and more people are open to the idea of a travel subscription service. So, there’s limited opportunity for more agencies to get in on the action.

**5.**

**TRUST IN AI TAKES  
TRAVEL TO THE NEXT LEVEL**



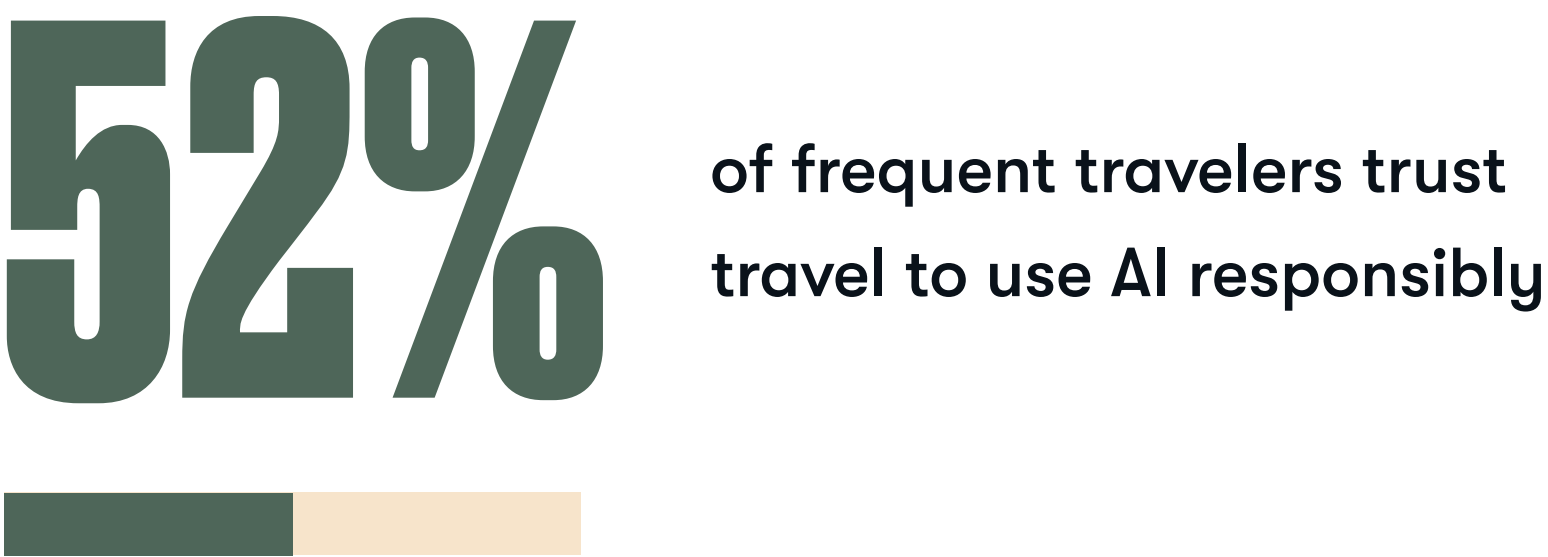
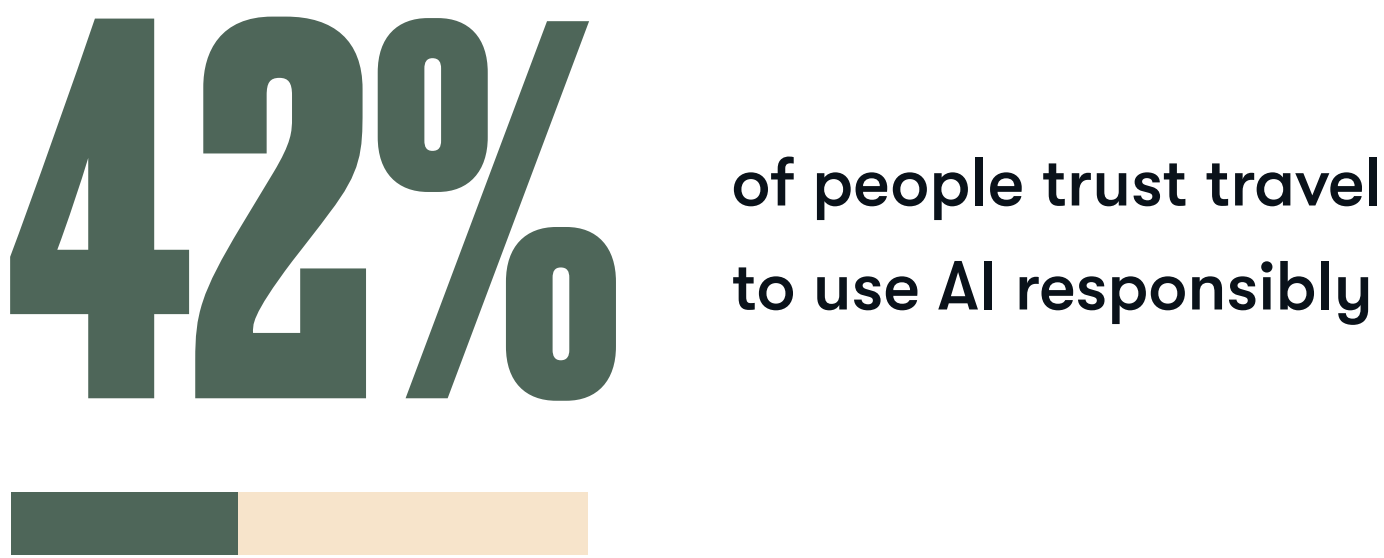
# HOW CONSUMERS FEEL ABOUT AI



The past decade has seen a fair few technological ‘gamechangers’. And then, along came the year of AI in 2024. The sudden emergence of ChatGPT ushered in the customary explosion of media and investment interest. Every conference panel session celebrated it. LinkedIn lit up with the possibilities. And we were surrounded by hundreds of “AI experts” whose jumping ship from blockchain, virtual holidays and web3 we politely ignored. Except this time around, it’s not just hype. AI is the real deal.

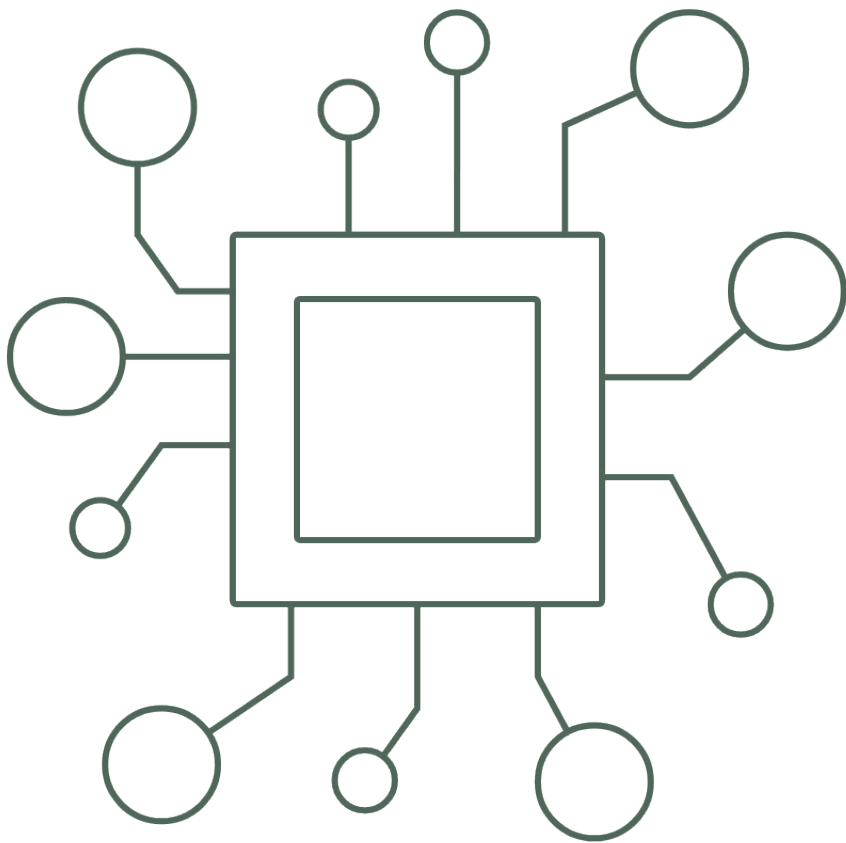
So how do consumers feel about it? From our findings, we can see sentiment has broadly shifted from skepticism to trust and inquisitiveness — and there’s a lot of early adopters out there.

It’s also encouraging to see that consumers trust travel brands to use AI responsibly — more so than most other sectors.



So far, a lot of the buzz has been about consumer-facing itineraries or using AI for customer support. While OTAs have invested heavily in using new generative AI for these purposes, the results were a little hit or miss last year. But hey, even Google has struggled to get it right.

There are signs we are moving quickly towards a major shift, however. We expect three major moves to be transformational in AI this year.



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## 1. Big data analysis helps spot new opportunities for travel

Where Gen-AI really excels is in saving time and analyzing complex data, fast. If you're a hotel opening in a new region, or an airline trying to improve capacity planning, there are now comprehensive, AI-powered reporting tools that collate, interpret, and forecast travel behavior across hundreds of airlines and thousands of hotels.

Travelport is in beta phase of our Gen-AI data tool that does just that. Want to know the average number of PAX for LHR to Dubai in September based on historical data over the last five years in a report accompanied by some charts? Easy. Two sentences inputted into the large language model, and you're done.

## 2. Google's dominance in travel could start to falter

Open AI's [ChatGPT Search](#) has arrived, and the world now has access to a new type of search. One that feels more like a two-way, organically evolving conversation than a frustrating, lonely trawl through Google. The notion of searching manually and clicking on high ranking, SEO-optimized webpages will seem silly by comparison in years to come.

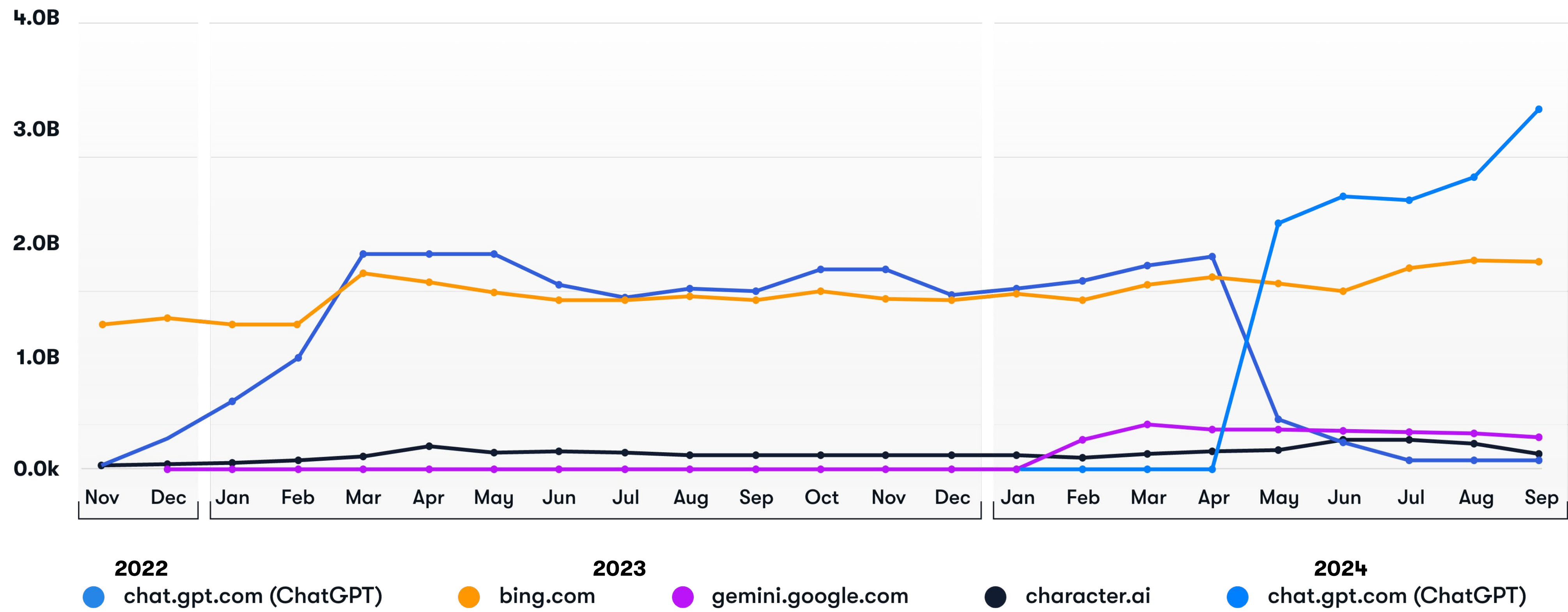
Just as Apple was late to the streaming party, Google was late to the AI game with [a pretty sub-par](#) offering in the form of Gemini. But that's not the only issue. Chat GPT Search has a relationship with Microsoft that goes deeper than money and computational power — it uses Bing's indexing tools and crawlers. So, we can expect more referral results, chat tools, and more travel companies getting to grips with Bing Webmaster Tools.

The notion of searching manually

**WILL SEEM SILLY  
IN YEARS TO COME.**

# CHATGPT AND COMPETITORS

Desktop & Mobile Web Visits - Sep 2024, Worldwide

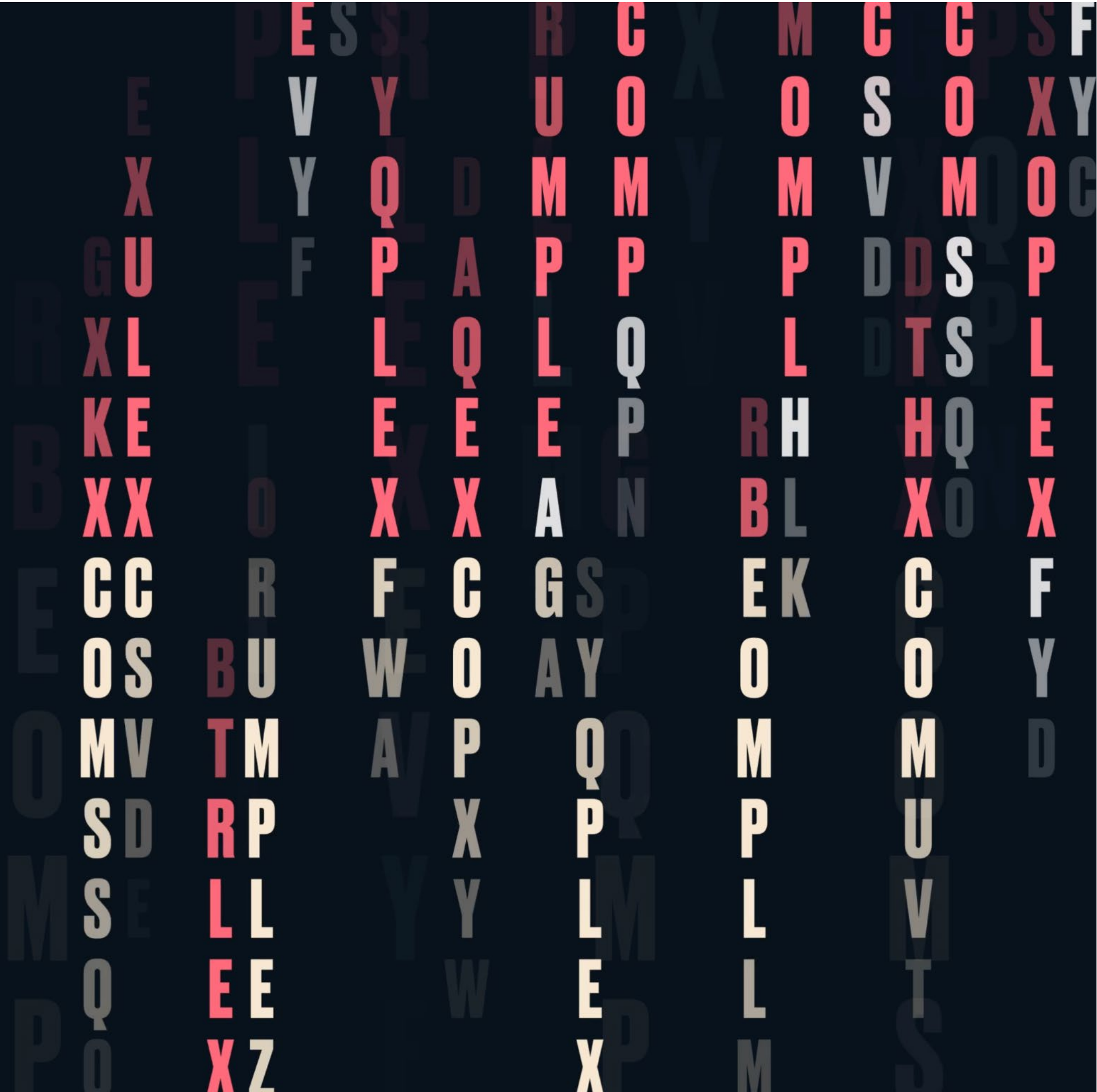


Source: <https://www.similarweb.com/blog/insights/ai-news/chatgpt-topped-3-billion-visits-in-september/>

And last, but by no means least...

3. AI-powered content curation helps solve NDC challenges

NDC and the explosion of content choice has been a big challenge for travel agencies in recent years. To solve for this, last year, Travelport launched our AI powered Content Curation Layer, which has been eagerly received by the agency community. Looking ahead to the rest of 2025, this provides a solution for managing NDC and multi-source content, and it will continue to alleviate some of the challenges that customers are experiencing around content choice and the explosion of offers.



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# ARE YOU READY FOR TRAVEL'S TIPPING POINT?

Looking from the outside in, it's clear that travel's tipping point is just around the corner. Years of complex tech, short-sighted distribution decisions, and computer-says-no attitudes means the industry is now ripe for disruption.

But don't take that as a bad thing. There's also a HUGE opportunity up for grabs. The biggest piece of the pie will go to those who can see around corners, innovate early, and nail modern retailing. The way to do it is by learning from innovators and the laggards elsewhere, and figuring out what people really need most.

Amid all this change, one thing remains constant. And that is: the value that travel agencies can provide for customers seeking to navigate the choice and complexity on this high-stakes purchase.

At Travelport, we strongly believe that travel agencies are best placed to offer an overall retailing solution for travel. Only they can help customers manage multi-brand shopping, presenting the best options in **one** convenient place. That way, consumers know they're getting the best deal that truly puts their interests first, without spending hours shopping around or getting bogged down in comparing prices.

We think 2025 could be the year that travel agencies really get their moment to shine. As the tipping point inches closer, the question is: are you ready?

GET MORE RETAILING INSIGHTS

**DIFFICULT  
TO COMPARE**

**FIND OUT MORE**



GET MODERN

# WHAT CUSTOMERS WANT

FIND OUT MORE



**MODERN RETAILING ERA**

# **DIFFERENTIATION IN TRAVEL**

**FIND OUT MORE**

