



# The Future of Travel:

How AI-powered travel agents are revolutionising the industry

Planning and booking travel has long been a frustrating and time-consuming process. Travellers must sift through countless flight and hotel options, read reviews, juggle different booking platforms and coordinate schedules – all while trying to secure the best deals.

However, the future of travel is about to be transformed by a new technological force – AI-powered travel agents. Unlike traditional AI, which waits passively for instructions from users, AI agents will independently navigate websites, make decisions, solve problems and adjust your travel itinerary on your behalf – just like a personal assistant, but fully automated. This isn't a distant dream; it's a reality we expect travellers to experience within the next decade. The travel industry is transforming and investors who act now will secure the biggest rewards.

This breakthrough is being driven by breakthroughs in hardware and software. Advanced computing chips, which power AI training models, and sophisticated AI algorithms such as OpenAI's ChatGPT, Google's Gemini and Meta's LLaMA, are key enablers of this revolution. The most recent advancement occurred in January when OpenAI launched its next iteration of ChatGPT, Operator, an AI agent capable of independently

navigating websites. Its applications extend far beyond travel, handling tasks like online shopping, filing expense reports and making restaurant reservations. By mimicking human interactions, Operator marks a major shift towards truly proactive, self-sufficient AI.

These technological advancements have sparked a wave of investment and innovation across the travel industry, creating both exciting opportunities and new risks for investors. Established travel companies, agile startups and tech giants are all racing to build AI agents that could disrupt traditional travel search engines and capture significant market share.

## Tailored trips: Let your AI agent handle the details

One of the most powerful shifts brought by AI agents is personalisation. Instead of users manually searching for flights and accommodation, AI agents will predict your preferences, suggest destinations and secure bookings without requiring constant input. Imagine telling an AI agent you'd like to plan a European getaway in July. Instead of browsing for hours, your AI agent will instantly:

- Find flights that match your schedule, budget and preferred airline.
- Book hotels suited to your style, whether charming boutique stays in quiet villages or centrally located

hotels just steps from top cultural landmarks.

- Recommend activities based on your interests, from vineyard tours in Tuscany to guided cultural walks through historic city centres.
- Adjust plans in real time if flights change or better options arise.

This reduces search time, eliminates decision fatigue



and unlocks destinations travellers may never have considered.

## AI now smarter, cheaper, everywhere

For companies looking to capitalise on the AI agent opportunity, the first step is securing access to leading AI algorithms from OpenAI, Google and Meta. As the cost of computing continues to decline, access will become more affordable. A prime example of this shift is DeepSeek, a Chinese AI company that has demonstrated that building and training AI models can be cheaper and more efficient. This is a great outcome for AI infrastructure users such as established travel companies, allowing them to develop proprietary models while minimising their investment requirements. As AI tools become increasingly ubiquitous, the barriers to entry for companies looking to integrate AI will continue to shrink, enabling broader innovation.

## Data is the new travel currency

As advanced AI infrastructure becomes widely accessible, the important question for investors is “Who will come out on top?” The power of AI lies in the underlying data. Companies with access to the richest datasets can generate superior customer insights and will dominate. For example, a company with a large user base and strong customer relationships understands a customer’s travel preferences, spending habits, location history and real-time market trends, a valuable asset. For this reason, smaller competitors will likely suffer. Additionally, traditional players including

shopfront travel agents, group tour companies and companies like TripAdvisor risk ceding share as AI agents eliminate the need for manual searches, directly connecting travellers with bookings and personalised recommendations.

Existing giants like Booking Holdings, the parent company of Booking.com, have massive user bases and loyalty programs, giving them access to vast customer data. Booking Holdings is already incorporating insights into its early-stage AI agent to enhance the customer experience and streamline the travel booking process. In an AI-powered world, travellers are encouraged to go directly to the Booking platform, strengthening its control over the customer relationship. In this scenario, Booking’s business quality and profitability are likely to strengthen, supported by a stronger market position and reduced reliance on expensive search-engine traffic.

## Hospitality experts the big winners in an AI-driven world

In addition to AI infrastructure and customer data, deep expertise in travel and hospitality is essential for building effective AI agents. In this environment, the biggest winners will be companies that maintain direct relationships with accommodation owners, giving them greater control over service standards, property presentation and pricing. This close partnership is exemplified by franchised hotel chains like Hilton and Marriott, which work directly with their vast network of hotel owners. Hilton and Marriott don’t just connect hotel owners with travellers; they are deeply integrated partners, offering decades of hospitality expertise that is incredibly difficult for tech giants to replicate. They provide hands-on support for hotel operations, labour management and supply procurement, even guiding owners through the hotel development process. To secure this valuable expertise, hotel owners sign long-term contracts – often up to 20 years – with these franchised giants, ensuring they maintain a vast network of properties





for travellers to choose from in this era of technological change.

## AI agents are here, and travel will never be the same

The future of travel is being rewritten, with AI agents at the heart of this transformation. As the industry evolves, a fierce data race will unfold, with new sources being used to infer traveller preferences. Companies that can capture, refine and apply the richest travel insights will gain the upper hand.

Tech giants are interesting in this context, as they already hold key insights into consumer behaviour: Google can scan your Gmail history for past travel bookings and requests, Apple has access to conversation data where you may be planning a trip with friends and family, and Meta, through Instagram, can analyse your travel-related posts and tagged

destinations to predict future behaviours. While large tech companies may have information on the customer, they lack the operational knowledge, long-standing relationships and industry-specific insights that predicate success in the hospitality sector.

Therefore, big tech's most viable monetisation path is through strategic partnerships with established travel players like Booking Holdings, Marriott and Hilton.

For investors, this period of rapid change offers exciting opportunities and new risks to consider. Those investors who back the right companies will be at the forefront of the next evolution of travel, where seamless, hyper-personalised experiences redefine the industry. Market leaders will strengthen their dominance, while those slow to adapt risk being left behind in an AI-first world. The winners of this transformation will not just survive the disruption; they will shape the future of travel itself.



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## Contact

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