



Now Boarding: How Agentic AI is Reshaping Front-Office Retail and Experience Orchestration

A Practical Guide for the Next Leg
of the AI Maturity Journey



A fourfold increase in both cost savings and revenue growth within five years.¹

That’s the promise for airlines investing in AI by 2027. A welcome impact for an industry where razor-thin margins, continuous disruption, and increasing complexity are the operational status quo. But not all AI is created equal – and the returns won’t come by simply adding more AI use cases.

To understand why, it’s useful to consider what’s led up to this point. Airlines have not lacked AI investment. In recent years, carriers have deployed AI across pricing, service, retail, disruption management, and customer support. Many of these initiatives have improved efficiency and enhanced customer engagement. But they have been focused on optimizing individual workflows rather than fundamentally redesigning the front-office operating model.

This is the next stage of transformation. And agentic AI sits at the heart of it, bringing these capabilities together into a truly integrated front-office, moving from assistive automation to autonomous orchestration across enterprise systems.

¹ <http://bcg.com/publications/2025/turbulence-to-transformation-airlines-embrace-digital#:~:text=Many%20airlines%20have%20accelerated%20investments,their%20top%20technology%20priority%20today.>

Automation, Autonomy, and Orchestration: What’s the Difference?

Automation executes predefined workflows. It improves efficiency by completing pre-defined tasks faster and more consistently, but it remains dependent on human teams to interpret context, resolve exceptions, and coordinate decisions across systems.

Autonomy goes further. It can interpret context, plan next steps, make decisions, and execute actions across connected systems within defined boundaries and governance frameworks.

Orchestration is where enterprise value from AI compounds. It connects autonomous agents across functions to avoid decisions being made in isolation, creating a fully coordinated front-office system.



For airline retailing operations, autonomous orchestration is restructuring how decisions are made, how journeys are coordinated, and how revenue is optimized in real time. Instead of assisting revenue managers or customer service teams, intelligent agents can construct contextual offers, resolve disruptions autonomously within guardrails, and orchestrate passenger journeys across systems.

The transformational opportunity is huge. Yet realizing it depends on disciplined implementation. After all, agentic AI can only create true enterprise value when supported by the right data foundations, integration, governance, and human oversight. **For airlines, the competitive moat is not the AI agents themselves, but the orchestration layer that sits behind them.**

So, what does that look like?

This POV explores how airlines can take the next step towards AI maturity across front office operations, including:

- The foundations required to move from assistive AI to agentic-enabled, modern retailing across the front office.
- Where agentic AI can transform key customer-facing functions and unlock measurable commercial value, and how to make this a reality.
- The governance and guardrails necessary to build trust and scale autonomy responsibly.





Setting the Foundations for Autonomous Retail Operations

90% of airlines currently use generative AI in some capacity, with 68% already experimenting with agentic AI.² But experimentation is not the same as transformation. Moving to autonomous retail operations requires airlines to industrialize agentic AI across three layers: the operating model, the data and architecture foundation, and the governance framework.

Moving From Pilots to an Orchestrated Operating Model

While experimentation has proven AI's potential, for travel-specific AI use cases, the "vast majority of these more focused experiments have remained stuck in pilot mode."³

Siloed, fragmented initiatives are incompatible with delivering autonomy at scale. Airlines risk falling into a POC infinity loop: running multiple promising pilots without the operating model, ownership, or production pathway needed to turn them into enterprise capability.

The objective should not be to build more agents in isolation. Without an orchestration layer connecting them, airlines risk building a collection of expensive point solutions rather than a competitive front-office capability.

Moving beyond this model requires long-term structural change. Airlines need to shift from standalone use cases toward coordinated, orchestrated systems in which agents can work across front-office functions, share context, and support decisions across retail, service, and disruption management.

Airlines must take the journey to AI maturity in incremental stages, expanding the scope of autonomous decision-making as data flows improve, system integration deepens, and governance frameworks prove themselves.

The Data and Architecture Layer

AI is already redefining how customers search and book travel, challenging traditional distribution logic and static interfaces. As conversational commerce reshapes the discovery process, airlines must ensure their back-end retail engines can autonomously coordinate decisions across channels, not just generate automated responses.

To turn isolated AI gains into measurable cost reduction and revenue growth, airlines need to connect their retail, service, and operational systems through an intelligent orchestration layer. Offer and order architecture becomes the backbone of real-time decisioning, enabling intelligent agents to turn demand signals, passenger history, inventory constraints, and disruption risks into contextual, dynamic offers.

This requires modernized data foundations built around a governed taxonomy, business ontology, and metadata strategy across commercial, operational, and service systems. Where relevant, airlines should also leverage industry models such as IATA's Airline Industry Data Model (AIDM) for NDC and Orders. True autonomy depends on this shared semantic foundation. Without it, agentic systems lack the context needed to coordinate decisions intelligently across channels.

² <https://www.mckinsey.com/industries/travel/our-insights/remapping-travel-with-agentic-ai>

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Customer Information Protection

Your data foundation must also protect customer information at the point of agent interaction. As agents retrieve information across systems, airlines need access controls, data minimization, prompt-injection safeguards, and retrieval guardrails to prevent sensitive customer information from being exposed or used outside its intended context.

The risk is not simply legacy technology. A legacy yield management engine or crew scheduling system can still be coordinated through an agentic orchestration layer if it exposes clean data through consistent APIs.

The real risk is carrying legacy data architecture into modern infrastructure without fixing it underneath. When revenue, service, and operational systems define the same concepts differently — flight number, departure time, aircraft ID, customer status — orchestration agents cannot reconcile the signals. Cloud migration alone does not solve this; it simply moves the problem into more expensive infrastructure. In that environment, airlines do not create an orchestration layer. They create disconnected agents operating on incomplete context.

The Governance & Trust Layer

Decision authority is the real constraint on scaling agentic AI. Airlines can only expand what intelligent agents are allowed to do when they have confidence that AI-driven actions remain aligned with regulatory requirements and commercial priorities.

Autonomy without governance is not an advantage. If agents cannot be audited, explained, monitored, and escalated when required, they create a liability rather than a scalable capability.

Building that confidence relies on a clear governance layer: defined guardrails, audit trails, continuous monitoring and tracking, escalation pathways, and human oversight. Without these controls, autonomy becomes a risk surface rather than a scalable capability. Airlines also need rapid human review and escalation mechanisms when agent decisions approach defined risk, regulatory, or customer-impact thresholds.



That is where human-in-the-loop expertise becomes critical. Human judgment provides context, validation, and intervention when thresholds are breached. Front-office teams drive the continuous optimization of how AI agents orchestrate decisions, allowing decision boundaries to expand with confidence. As front-office teams take on new roles, they become supervisors and refiners of agentic systems: reviewing outputs, intervening when thresholds are breached, and improving how agents make decisions over time.

Training, re-skilling, and up-skilling programs are essential to support this shift, ensuring teams can govern agentic systems with confidence rather than simply use them.

When governance structures and human capability operate in tandem, airlines can have the confidence to scale agentic retail operations without compromising commercial and regulatory integrity. With these three components in place, airlines are ideally placed for autonomous AI initiatives to take flight.

Redefining Core Front-Office Functions Through Agentic AI

The transition to autonomous models allows airlines to move beyond automation and enable orchestration across front-office functions.

Let's look at the impact across three key areas:

Offer and Order Management: Autonomous Offer Construction

Offer and order management is the foundation of modern retailing, but traditional systems have limits. While many airlines have moved on from rigid pricing options and complex, time-consuming booking processes, they still feel constrained. There is an opportunity to improve the offer and order management process to deliver propositions that enhance the customer experience and drive revenue growth.

Transformational Benefit

Intelligent agents can augment pre-defined fare structures in real time, adapting for individual customers based on context that considers passenger history, behavioral signals, route economics, ancillary potential, operational risk, and disruption probability. As models continue to mature, fully personalized and contextualized offers become a reality.

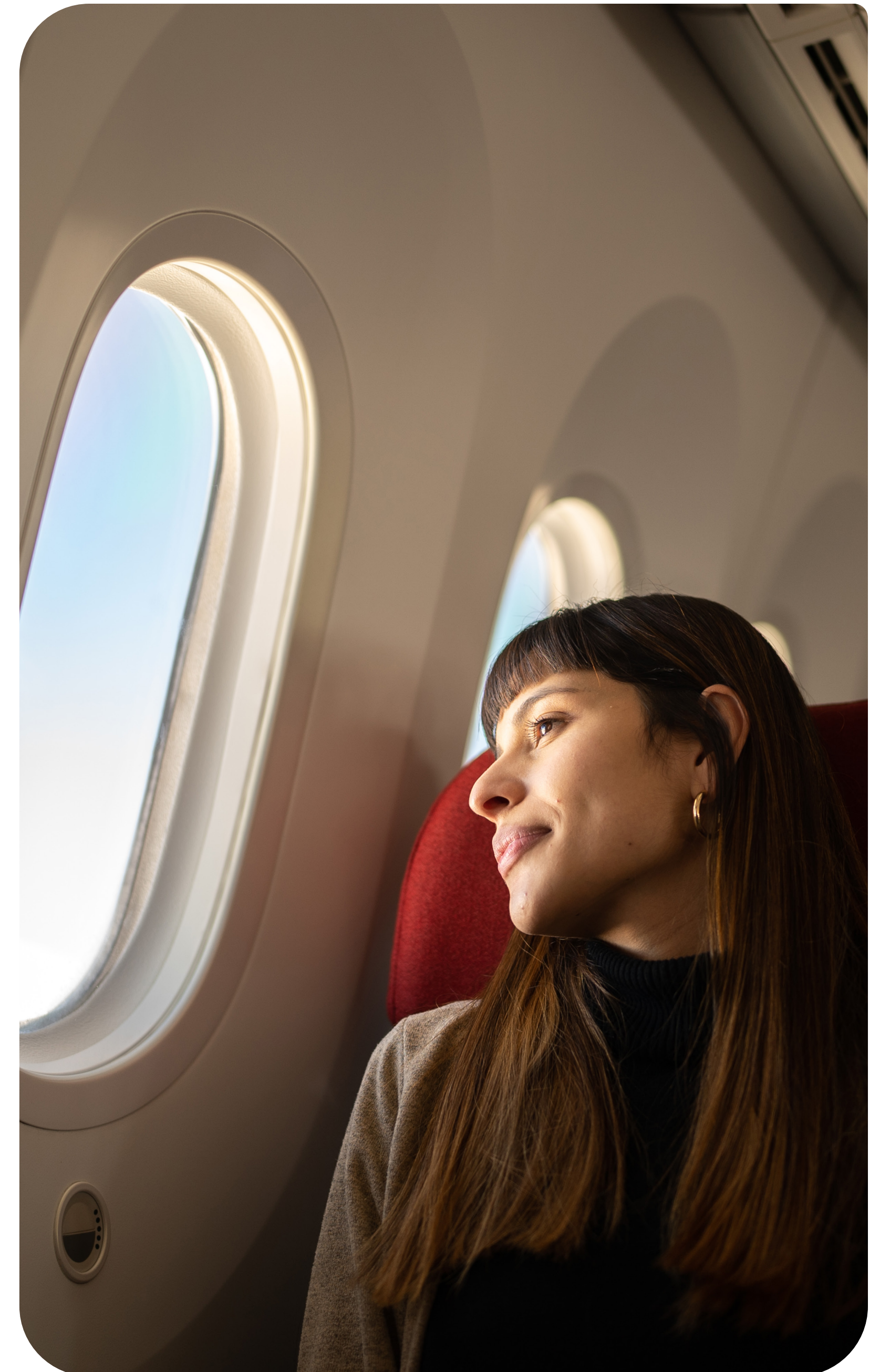
Instead of predefined fare structures, airlines move toward adaptive retail bundles that evolve with demand and context. Additionally, as AI-powered assistants increasingly act on behalf of customers, autonomous agents allow airlines to manage growing volumes of incoming agent-driven traffic.

Agentic AI interfaces transform the booking process. Search becomes conversational. Pricing engines act as offer agents. Rebooking systems function as resolution agents. It builds a retail layer that can orchestrate both human and machine interactions while responding dynamically to volatility and protecting yield.

Ultimately, it is a shift that strengthens margin resilience, increases conversion rates, and changes how customers interact with airlines.

Value-Add Airlines

Adoption of agentic AI-powered features moves airlines from seat sellers to adaptive retail platforms. It enables them to compete on value creation rather than as an inventory distributor, improving experiences and building customer loyalty.



Order Delivery: Autonomous Journey Resolution

In an orchestrated recovery model, the goal is not to make an already painful disruption any harder than it has to be. Passengers should experience a coordinated resolution: the rebooking, the communication, the voucher, and the next-best action already aligned.

To truly deliver the modern retail experience that customers expect, seamless fulfillment is essential. This is particularly true when dealing with journey disruption that needs to be quickly and effectively resolved. Disruption management has traditionally been reactive and labor-intensive. Agentic AI changes the model by coordinating recovery across the systems and teams involved in the passenger journey, not simply automating individual service tasks.

Transformational Benefit

Under an agentic model, intelligent agents can monitor operational signals continuously and initiate resolution pathways when triggers occur – from rebooking and refund authorization to compensation workflows – while coordinating with back-office systems to align operations, finance, policy, and service systems in real time.

For a complete look at how agentic AI is transforming back-office operations, see our companion POV.

These agents operate within predefined financial and regulatory guardrails, escalating for human-in-the-loop intervention only when thresholds based on loyalty tier, case severity, urgency, or complexity are exceeded. Instead of merely assisting service agents, AI orchestrates resolution in real time, reducing recovery cycles and preserving trust.

The commercial impact extends beyond cost reduction. Faster, preference-sensitive recovery reduces compensation exposure, protects brand equity, and sustains lifetime value in volatile operating conditions.

From Reaction to Retention

Agentic disruption management shifts the objective from processing compensation to preserving relationships. By resolving issues proactively and in context, airlines turn moments of operational stress into opportunities to reinforce trust and long-term loyalty.

The Omniexperience Passenger and Cargo Journey: Cross-Channel Retail Intelligence

The customer journey is inherently multi-channel. Passengers book online, check in via mobile, and engage with airport teams in person. Cargo customers manage shipments across digital and physical touchpoints.

As other industries deliver seamless interactions, customer expectations have shifted. They now demand consistent, joined-up engagement at every stage. However, fragmented systems often prevent airlines from delivering the continuity and coordination that modern retailing demands.

Transformational Benefit

Agentic systems enable cross-channel retail intelligence, keeping a continuous memory of customer behavior, preferences, and context across systems. But the value goes beyond continuity. When agents operate from shared context, each interaction can improve the next: service agents learn from disruption history, offer agents learn from loyalty and booking context, and communication agents adapt based on real-time journey status.

Rather than integrating channels technically, airlines begin orchestrating journeys intelligently. AI agents synchronize offers, communications, and service responses across web, app, airport, and contact center, ensuring continuity regardless of entry point. This enables scalable personalization without increasing headcount, supporting revenue growth while maintaining operational control.

Continuity Across Channels

When customer context carries across touchpoints, each interaction builds on prior engagement rather than starting from zero. Over time, connected agents improve the quality of each decision, strengthening conversion, protecting revenue across channels, and deepening long-term passenger and cargo relationships.



Scaling Autonomy with Governance and Guardrails

The applications outlined make the benefits of agentic AI clear. The next question is how airlines scale autonomy safely across real customer, commercial, and operational decisions.

As AI agents assume greater decision-making authority, governance becomes foundational. Autonomous systems need to deliver intelligent control. That requires clear decision boundaries: where agents can act independently, where they should recommend action, and where human oversight is required.

Airlines must define bounded autonomy zones, specifying which financial, operational, and customer-impact decisions agents can make independently, and where escalation to human oversight is required.

In practice, these boundaries are not static. They adapt based on customer value, journey context, and risk profile, as shown on the table.

Scaling this kind of autonomy across the front office requires a clear governance framework that defines boundaries, enforces control, and builds the trust needed to extend autonomy with confidence.

	High-value Frequent Flyer	Standard Holidaymaker	Complex Multi-leg Journey	Business Customer With Cargo
Customer Profile	Premium customer with high lifetime value and loyalty status	Price-sensitive traveler with no loyalty tier	Passenger traveling across multiple partner carriers	Business customer managing time-sensitive shipments alongside passenger travel
Customer Scenario	Missed connection on a long-haul journey with limited alternative options	Short-haul delay causing missed onward connection	Disruption involving partner airline with conflicting policies and risk of high compensation costs	A shipment delay is reported via digital tracking and followed up due to time sensitivity
Agentic AI Action Within Predefined Boundaries	Proactively rebooks onto the next available flight, upgrading where possible to maintain loyalty, and issues compensation within predefined limits	Offers rebooking, refund, or voucher options within policy and completes the interaction end-to-end	Assembles all possible resolution options across systems and proposes outcomes	Maintains a continuous view across cargo and customer systems, providing status updates, coordinating resolution, synchronizing communications across channels.
HITL Escalation	High-cost decisions, exceptions, or discretionary upgrades beyond thresholds are escalated to human agents to protect relationship value	Escalation is only triggered if compensation exceeds policy thresholds or customer dispute arises	Final decision escalated to human-in-the-loop due to regulatory complexity, partner dependencies, and financial risk	Escalation to human-in-the-loop occurs where case complexity or financial impact require intervention

Governance Checklist

- **Defined guardrails and autonomy boundaries** that specify financial, operational, and customer-impact thresholds. Clarify where agents act independently and where human escalation is mandatory.
- **Transparent audit trails and real-time monitoring** to ensure autonomous decisions are visible, traceable, and accountable.
- **Structured validation and testing environments** for AI-generated code and workflows, embedding human-in-the-loop reviews. Constant monitoring of new and expanding capabilities to ensure continuous confidence across deployments.
- **Commercially aligned performance metrics** to ensure agentic systems optimize revenue integrity, maintain compliance, and drive long-term customer value.
- **Continuous oversight and refinement** to prevent decision drift, bias, or unintended exposure as autonomy expands over time.
- **Customer feedback loops** that detect negative sentiment or unresolved issues in real time and trigger immediate human escalation where service recovery, loyalty, or brand trust is at risk.

Governance is not designed to be a brake on innovation. Properly designed, it accelerates transformation by giving leadership confidence that autonomy will not compromise compliance, revenue integrity, or brand trust.



Evolving Toward the Autonomous Retail Platform

\$7.90. That is the margin per transported passenger airlines are currently working with.⁴

Protecting that margin requires more than incremental efficiency. It requires a competitive moat: front-office systems that can respond to disruption, demand, service needs, and commercial opportunities as connected decisions, not isolated workflows.

Individual agents can improve individual workflows. But the competitive advantage comes when offer, order, service, disruption, and customer experience agents operate through a shared orchestration layer. That is what turns agentic AI from a collection of point solutions into a more responsive, resilient, and commercially intelligent retail operating model.

The next phase of front-office transformation will not be defined by how many AI agents an airline deploys. It will be defined by whether those agents are connected tightly enough to compound value.

Airlines that build this orchestration layer now will be better positioned to protect margin, strengthen resilience, and continuously optimize customer value in an increasingly volatile operating environment.

⁴ <https://www.iata.org/en/pressroom/2025-releases/2025-12-09-01/>



Evolution with Sutherland

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We work with global iconic brands. We bring them a unique value proposition through market-leading technologies and business process excellence. At the heart of it all is Digital Engineering Services – the foundation that powers rapid innovation and scalable business transformation.

We've created 363 unique and independent inventions, 250 of which are AI-based and rolled up under several patent grants in critical technologies. Leveraging our advanced products and platforms, we drive digital transformation at scale, optimize critical business operations, reinvent experiences, and pioneer new solutions, all provided through a seamless “as-a-service” model.

For each company, we provide new keys for their businesses, the people they work with, and the customers they serve. With proven strategies and agile execution, we don't just enable change – we engineer digital outcomes.

