

UNLOCKING DIGITAL PERFORMANCE  
**2025 OUTLOOK | TRAVEL INDUSTRY**



# Setting the Stage for Hyperpersonalized Experiences, Actionable Intelligence, and AI-Enhanced Operations





# Travel in 2025

The travel industry is in the throes of a major reinvention. 2024 further highlighted the challenges created by global economic pressures, labor shortages, increasing demand for sustainable travel and, like most industries, ever-evolving consumer preferences. Thriving in this environment demands new, innovative strategies to stay competitive.

Across the sector, attention is shifting to new digital operations and technology-led business models that put the customer at the heart of everything; whether that’s focusing on more than just scoring “heads in beds” for hotels, going beyond getting passengers from point A to point B for airlines, or tour operators building truly personalized and flexible offerings.

While the picture of what’s needed for the future is clear, business leaders have an uphill battle ahead of them. From tearing down divisional silos to integrating business units and instilling a new company culture that embraces different ways of thinking, successful travel companies of tomorrow will look very different to how they did yesterday.

Add the fact that consumers are already choosing to use AI to support their travel journeys, and there’s no doubt that the industry is ripe for AI-powered transformation. In fact, the need for deeper AI integration in 2025 is well-recognized across the industry. 88% of travel and transport businesses acknowledge the need to invest heavily in AI to achieve their growth objectives.<sup>1</sup> And 75% of travel executives fear going out of business in the next five years if they don’t scale the use of AI across their operations.<sup>2</sup>

## Focus Areas for Travel in 2025

- **Moving from data to actionable intelligence:** Despite those in the travel sector recognizing the wealth of customer data at their disposal, 40% don’t feel like they’re using it to its full potential.<sup>3</sup> For travel brands, unlocking the true value of the data they hold will be key to driving value across the business.
- **Delivering hyperpersonalized, AI-led experiences:** 71% of customers expect personalized interactions, and 76% become frustrated when this doesn’t happen.<sup>4</sup> Leveraging AI to deliver personalized experiences at scale will be imperative for maintaining a competitive edge. In 2025, businesses across the sector should take steps to enhance personalization by using AI to transform all aspects of the travel journey.
- **Introducing AI-enhanced operations:** Automation and AI is transforming how travel brands operate, driving productivity and reducing costs. In the airline sector, for example, leveraging this technology is projected to save the industry \$2 billion by reducing payment costs alone.<sup>5</sup> Embracing AI-driven automation to optimize core processes and improve operational agility will be essential for meeting the expectations of tech-savvy travelers in 2025.





Navigating this means long-term investment into the six technological building blocks for AI success. But, in the near-term, it'll require a particular focus on unlocking actionable intelligence from the vast volumes of data at their disposal, and introducing AI-infused digital operations that can drive a raft of new efficiencies to unlock greater performance and increase profits.

Let's assess how the travel industry can best achieve success in these areas, and how they interconnect with the core technological building blocks needed to take advantage of AI and drive measurable business outcomes in 2025 and beyond.





# Moving From Data to Actionable Intelligence

Looking ahead, there’s no doubt that the brands leveraging AI to analyze customer behavior, make informed decisions about inventory management, and to better react to changing market trends will firmly position themselves ahead of those that don’t.

At the heart of achieving this sits the ability to turn data into actionable intelligence. The market for this is growing rapidly, with the tourism industry’s big data analytics segment expected to hit \$486 billion by 2033 – more than doubling from \$225 billion in 2023.<sup>6</sup>

The problem? Siloed data. More than half of hospitality leaders, for example, are working with data that’s at least somewhat siloed.<sup>7</sup> The same number say a lack of unified data impacts their ability to evaluate performance in real time, and prevents them from having a singular, end-to-end view of operations and the customer.

Travel brands can take steps to overcome this by focusing on the following areas:

**Data and analytics:** AI-powered analytics are the next frontier of transformation in travel. Achieving this will mean prioritizing end-to-end excellence by setting up a data layer that allows for real-time data access, cleansing, and structuring. By centralizing data in a unified data lake and leveraging AI and ML models for predictive analytics and pattern recognition, insights from these models can be deployed across the business including for demand forecasting, personalized offerings, and real-time adjustments to pricing.

- Leveraging the power of cloud, data and analytics with tools such as AWS Kinesis will enable travel brands to implement the data streaming capability needed for AI-powered analytics, processing and analyzing data as it’s generated to provide real-time insights.

**Application modernization:** Integrating different systems and legacy applications, which often make use of custom architectures and data formats, will be equally important – not just to enhance operability and eliminate data silos but to improve data accessibility.

- By modernizing systems and implementing API-based architectures to ensure those systems can communicate effectively, travel brands will be able to break down data silos. This will ensure data from across the business flows seamlessly through the centralized data layer to provide a unified view.



# Delivering Hyperpersonalized, AI-Led Experiences

Travel brands can't rely on the top-down approach to decision-making that's historically been used across the sector. Instead, 2025 will be the year to capitalize on the actionable intelligence they've unlocked to democratize the use of data across the business, delivering true personalization at the individual customer level. For example, using AI and ML to analyze and respond to customer habits, payment preferences, and search behaviors.

Integrating traditional and generative AI across front-, mid-, and back-office functions will also be key for enhancing business performance and enabling the seamless omnichannel experiences that today's travelers expect.

Brands can establish solid foundations by prioritizing the following:

**Data and analytics:** With a centralized data layer in place, travel brands will be able to fully aggregate data from all customer touchpoints and enable true hyperpersonalization across every stage of the customer journey.

- To further enhance the customer experience and deliver personalization in a cost-effective and scalable way, look to deploy an AI-driven recommendation engine that can dynamically deliver content, offers, and recommendations based on real-time inputs and historic data on each individual customer – from personalized travel packages based on a customer's search history to making relevant, tailored suggestions during the booking process.

**Application modernization:** Travel apps should be modernized, integrating AI capabilities that can help brands deliver on ever-increasing customer expectations for more personalized, seamless, omnichannel experiences.

- Consider using AI to deliver real-time in-app messages, offers, and promotions, and integrate advanced chatbot functionality into all customer-facing platforms. For example, automatically notifying an airline passenger about an upcoming delay to their flight and offering a voucher that can be redeemed in the airport food court.



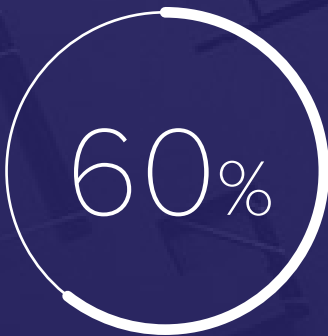


# 90% Faster Onboarding: Protecting the Customer Experience With AI

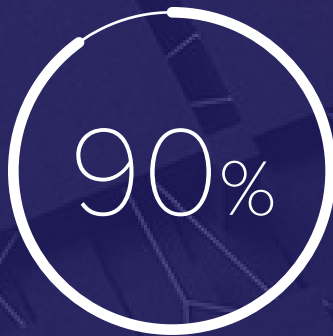
For a major travel service provider, reliance on manual document verification had become more than just an operational headache; it was damaging the user experience. Onboarding new providers was painfully manual and expensive. And unreliable providers were negatively impacting the timely, secure experience travelers had come to expect.

Sutherland developed a tailored AI-driven KYC solution to solve the problem. Bringing automation to document assessment and classification, automated validations could take place at scale with stringent checks applied – significantly reducing manual effort and weeding out bad actors from the start.

## THE IMPACT:



effort  
reduction



faster  
onboarding



increase in fake  
ID detection



# Introducing AI-Enhanced Operations

Introducing AI into core business functions and operational processes will be at the heart of how travel brands drive growth, boost efficiency, and continue to meet evolving customer expectations in the future. Doing so will help companies set the foundations for pioneering new solutions that are able to differentiate their brand in today’s highly competitive travel market.

Getting this right will introduce a powerful synergy of human expertise and AI capability. Travel brands looking to take steps towards future-proofed, AI-enhanced operations should consider the following:

**Cloud infrastructure:** The compute capabilities of the cloud will be needed to handle the complex data flows and real-time decision-making required for AI. Migrating core systems and applications to the cloud, as part of the modernization process, will make it easier to scale new digital workflows and AI-driven business models in the future.

**Digital operations:** AI and automation can dramatically increase operational efficiency, allowing employees to focus on higher-value activities.

- By automating repetitive tasks involved in core operations such as inventory management, and by introducing new AI-driven workflows to business areas like finance, travel brands can boost efficiency while minimizing the risk of error.

**Digital chemistry:** The travel brands that prove most successful in the future will be those with a clearly defined transformation roadmap, bringing together people, processes, and technology to deliver a digitally enabled travel experience for customers. This will include fostering a culture of innovation across the business.

- Supporting staff with comprehensive training, re-skilling, and up-skilling will help travel brands equip employees with the skills they need, while also encouraging them to think differently and to embrace experimentation and agility.





# 75% Reduction in Manual Effort: AI-Enabled Operations in Action



For a global online travel agency, every step of supplier management – from initial onboarding to product review and beyond – was handled manually. Not only was this slow and expensive, but long delays in getting products listed impacted supplier satisfaction.

To address this, Sutherland designed an intelligent AI bot to act as a co-pilot for employees. Continually learning from production scenarios, the bot integration streamlined end-to-end supplier management, automating product review and listing processes to drive efficiencies and time savings.

## THE IMPACT:



**AHT savings:**  
75% reduction compared to human-only solution



**Enhanced quality:**  
90% accuracy compared to manually processed product listings



**Greater supplier satisfaction:**  
review time cut in half





# Looking Ahead to the Future of Travel

Driven by consumer expectations and evolving market demand, it's clear that travel experiences will continue to evolve at a faster pace than ever before in 2025 and beyond. The widespread adoption of AI technology will define this next era of travel, minimizing the gap between consumer expectation and delivery.

By overhauling legacy systems and integrating AI throughout the business to deliver truly personalized experiences, streamline operations, and optimize decision-making, travel companies can gain a competitive edge and the ability to leverage industry disruption to their advantage rather than being subjected to it.

## Unlocking Digital Performance. Delivering Measurable Results.

At Sutherland, we are a leading global business and digital transformation partner. We work with iconic brands worldwide in Healthcare, Insurance, Banking & Financial Services, Communications, Media & Entertainment, Technology, Travel & Hospitality, Logistics, Retail, Energy & Utilities industries. We bring our clients a unique value proposition through market-leading technology and business process excellence. Leveraging our advanced products and platforms, we drive digital transformation, optimize critical business operations, reinvent experiences, and pioneer new solutions, all provided through a seamless “as a service” model. For each company, we tailor proven and rapid formulas to fit their unique DNA. We bring together human expertise and artificial intelligence. In short, we do digital chemistry. It unlocks new possibilities, great client partnerships, and transformative outcomes.

