

**From inspiration
to conversion:
AI-powered discovery
and the modern travel
retail journey**

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Introduction

The customer journey for travel faces serious disruption as AI makes itself felt in discovery, planning and booking, fragmenting the path to conversion further in a journey that often already includes multiple steps across various platforms. Consumer adoption of new tools is rising, alongside heightened expectations of a seamless, enhanced user experience (UX) powered by AI.

Advising the C-suite on future technology investments, figuring out how to integrate with large language models (LLMs) and choosing which projects to prioritise is a big challenge for Chief Technology Officers (CTOs) and digital leaders.

Equally modernisation is now absolutely essential if companies want to innovate and optimise. In order to capitalise on the AI opportunity, you need to ensure that you're 'AI-ready' so you can effectively deliver upstream exploration, downstream conversion and ancillary sales experiences that will keep your customers loyal and drive repeat business.

Plotting your roadmap towards competitive advantage relies on up-to-the-minute intelligence about changing traveller behaviours in the conversion journey.

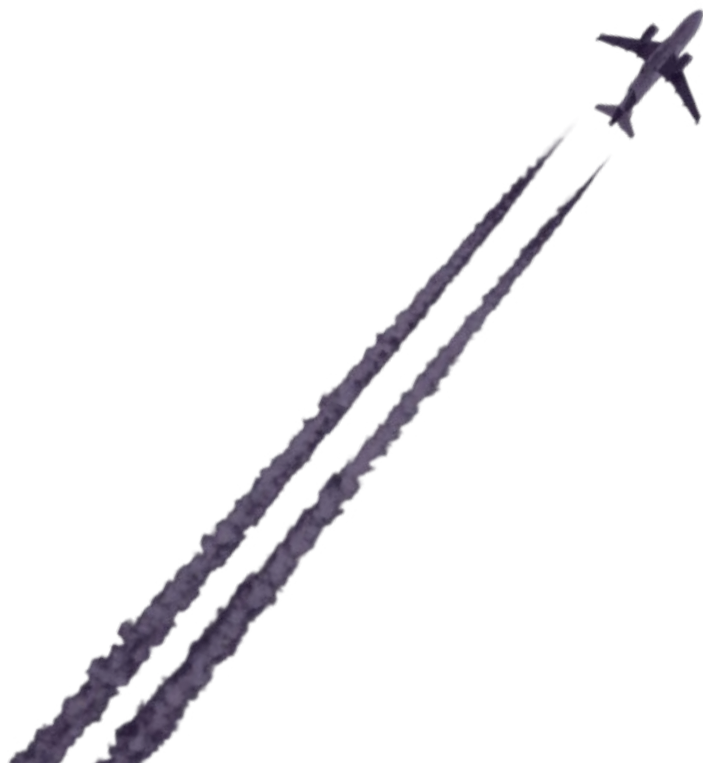
We're pleased to bring you this in-depth report that includes findings from exclusive independent research that dives into the attitudes and actions of 1,000 travellers who have bought a product in the past 12 months.

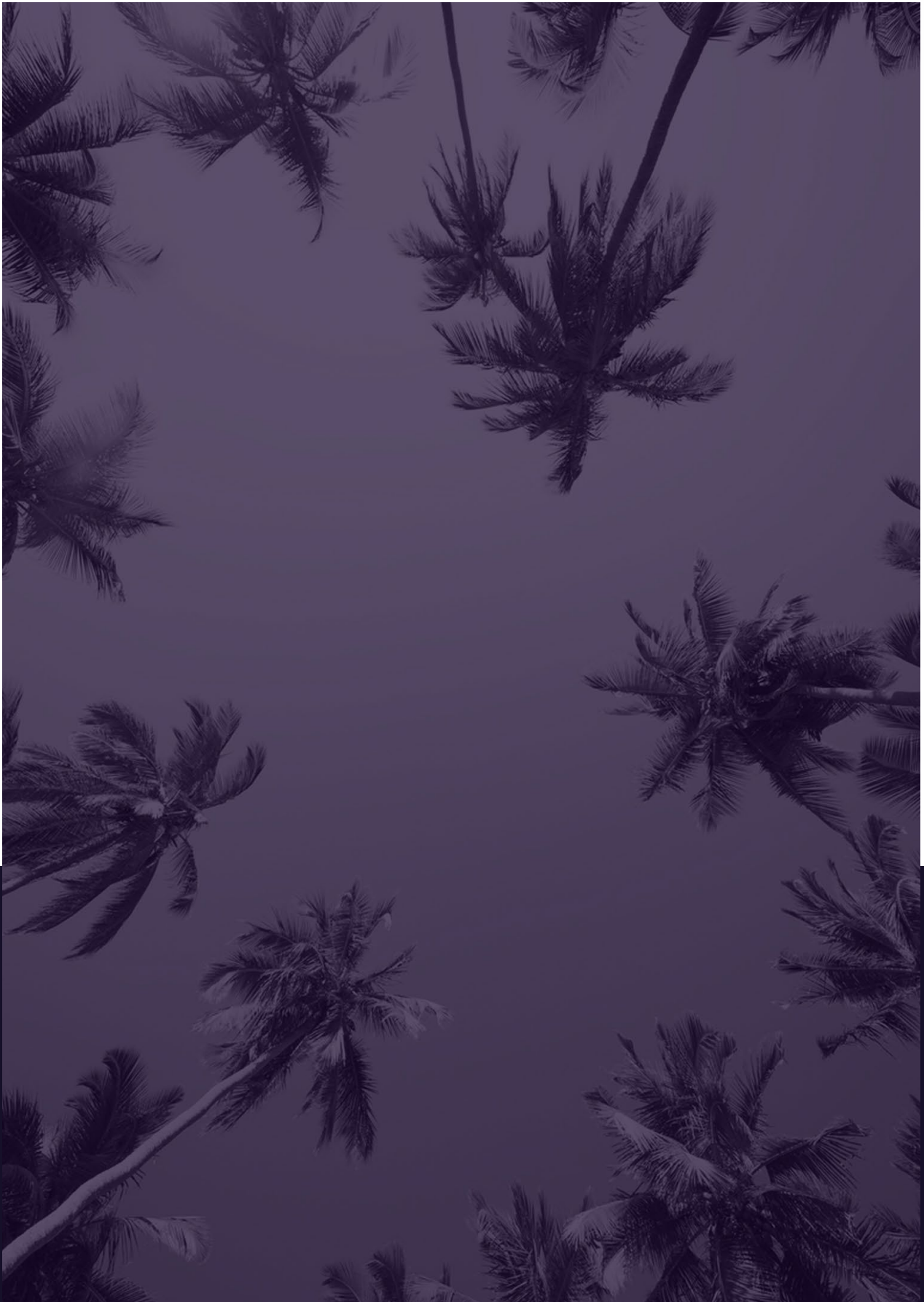
It also includes insights from CTOs at leading travel brands and our own perspective on how to deploy AI for commercial impact together with inspiring case studies to help you identify your own AI use cases.

Rob Yardy

Head of Business Development

Leighton





Executive summary

The good news: travel has almost rebounded back to pre-pandemic levels. International tourism is expected to grow from 3% to 4% in 2026 compared to 2025ⁱ and 84% of travellers have said they plan to travel more or the sameⁱⁱ.

Even better news: people are willing to invest more in their travel plans. For instance, 37% overall are planning to increase their spend on flights and 31% on accommodation in 2026, with higher figures for Gen Z and millennialsⁱⁱⁱ.

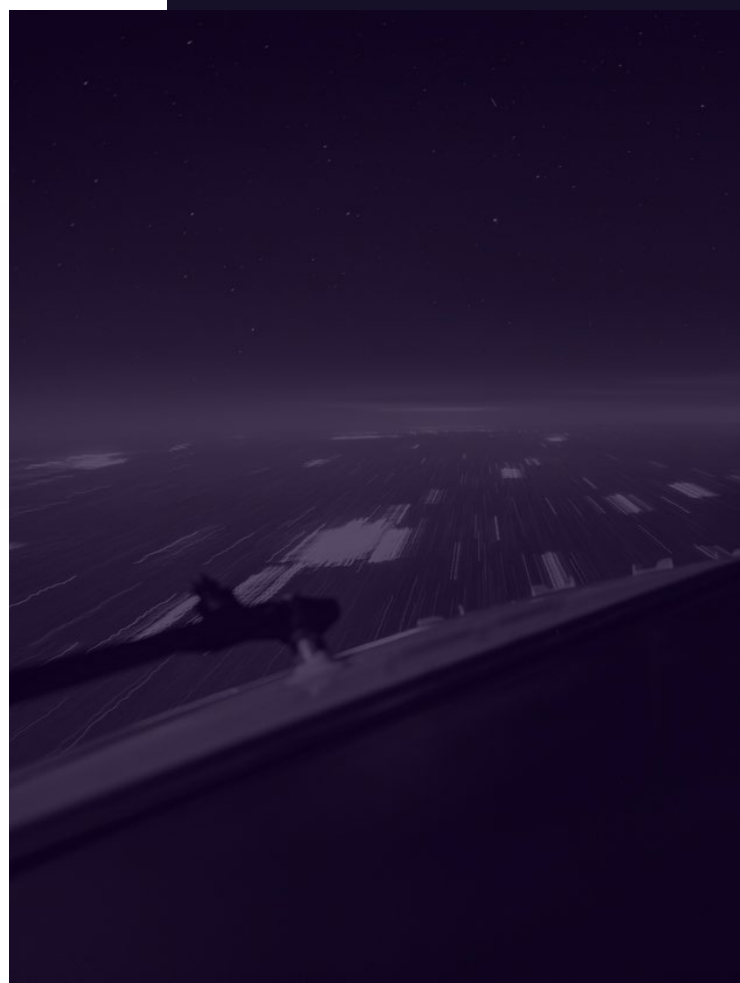
To share in this increased expenditure, travel businesses need to adapt to the new AI reality.

AI tools have been adopted by the public at large at astonishing speed. McKinsey states that 50% of people were using AI-powered search at the end of 2025^{iv} and we can see how quickly younger employees have integrated AI tools into their work lives.

But how far has AI made in-roads into travel? This is what our independent research of 1,000 travellers set out to unpack^v.

At present, more than a third of travellers still start their search via online travel agents (OTAs), followed by a quarter using traditional search and direct to airline websites or apps (13%).

But other channels are beginning to make their mark. Social media channels such as TikTok or YouTube had a 6% share - and though AI's share at the start of the journey is small, it has a significant impact on planning.



These figures tell a story:

57%

of respondents use AI tools for travel planning in some way

27%

of respondents say they will rely on AI more than brand sites within two years for planning and booking travel

34%

of respondents say they trust recommendations from AI tools more than from a travel brand's own websites or apps

82%

of respondents say personalisation is important

The tipping point for mass customer adoption of AI for journey planning is getting nearer. Where best to invest to unify data, turbocharge personalisation and remove barriers to booking are the pressing questions for digital leaders.

The next three sections drill deeper into the exclusive research findings, followed by our own analysis of the results and a set of relevant case studies that genuinely moved the dial for some of the businesses we've worked with.

Planning and booking travel in the AI age

AI already has a clear role in the customer journey, with nearly three in five incorporating it into travel planning in some way (57%) and more than a fifth of respondents using it for the separate stages of itinerary building, destination comparison and inspiration.

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I feel like customers will become more used to an agentic experience and this will be accelerated by generational shift - we will evolve into a world where agentic-first search will be much more common.

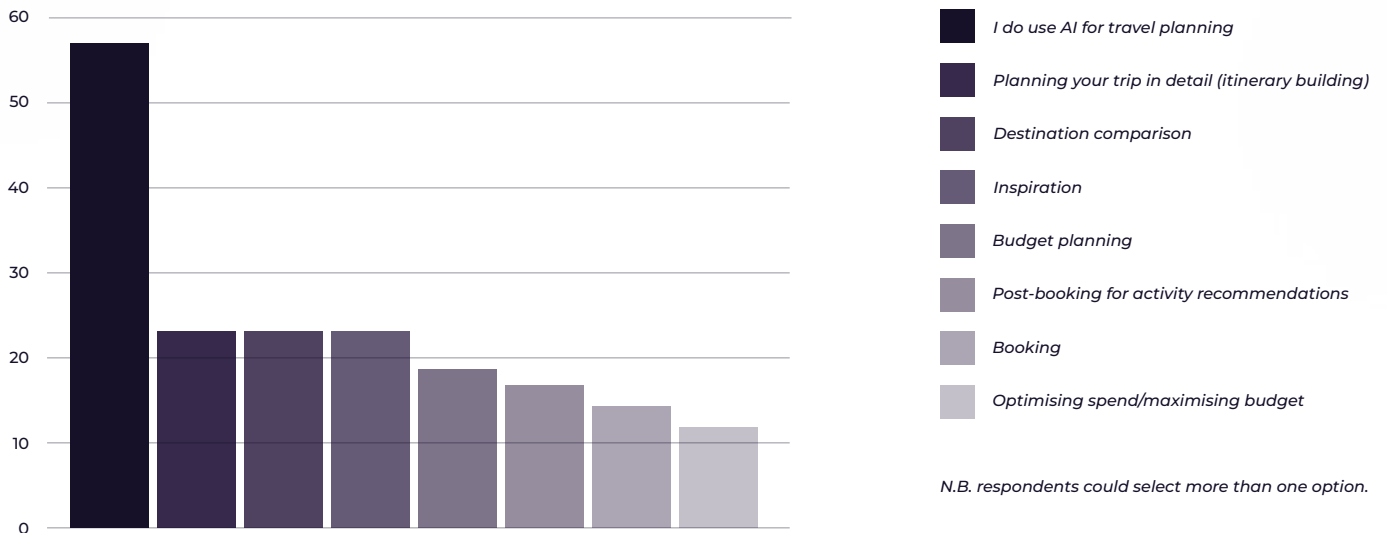
Steve Morland
Chief Technology Officer
Leighton

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We've invested heavily in an integration layer with LLMs via Model Context Protocols (MCPs), so when the customers are ready and want to come to us via LLMs, we are there. They do form an extra distribution channel and if customers do the discovery on LLMs, they will arrive at our site more informed and knowing exactly what they want. That's why we focus on breadth of inventory and being able to fulfil a wide offering. What we are deliberately not doing is trying to outcompete ChatGPT in conversational search because it's not our battle to win.

Kasia Michalska
Chief Product & Technology Officer
On the Beach

What stages of planning, if any, do you use AI tools at?



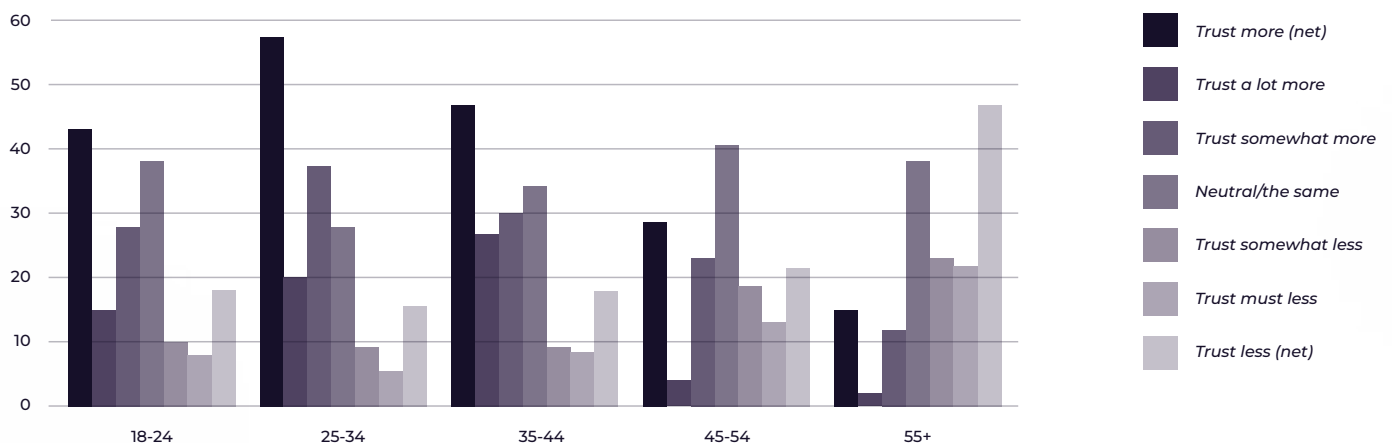
AI adoption is only going to pick up speed. Within just two years, 27% of respondents believe they will rely on AI more than brand sites for planning or booking travel. On the other hand, there are 19% who think brand sites will still be more important for them and 18% thinking they'll rely on both AI and brand sites equally.

There is a clear age split with 46% of respondents aged 25-34 saying they'll rely on AI more than brand sites, compared with 14% of 55+ travellers that think they'll be less likely to look for help from AI over brand websites.

The shifting focus towards AI use also has implications for brand trust. While there may be a gradual shift towards using AI to recommend a budgeted itinerary, there is not yet wholesale trust. More than a third of respondents say they trust recommendations from AI tools more than travel brands' own websites or apps - but 30% also say they trust AI less.

The 25-34-year-old cohort are most likely to say they trust AI tools over travel brand websites (57%).

How much more or less do/would you trust recommendations from AI tools compared to travel brands' own websites or apps?





We invest in the things that we do not believe are easily replicable and while LLMs are getting incredibly efficient and proficient at orchestrating tasks, they need something to orchestrate against. That's where our capability comes in because we're talking complex distributed systems, real-time inventory management, data orchestration at scale and maintaining the most competitive pricing. This is something which is outside of the current capabilities of LLMs, and I don't see that changing meaningfully - LLMs are designed to orchestrate and communicate, not to provide the underlying fulfilment infrastructure.

Kasia Michalska

Chief Product & Technology Officer
On the Beach



Research suggests that for younger audiences, bookings are often initiated via TikTok and social media, searching for specifics to show real life experiences and content which differs to behaviours around going straight to a travel agent or provider search.

Taya Reynolds

Chief Technology Officer
Hays Travel

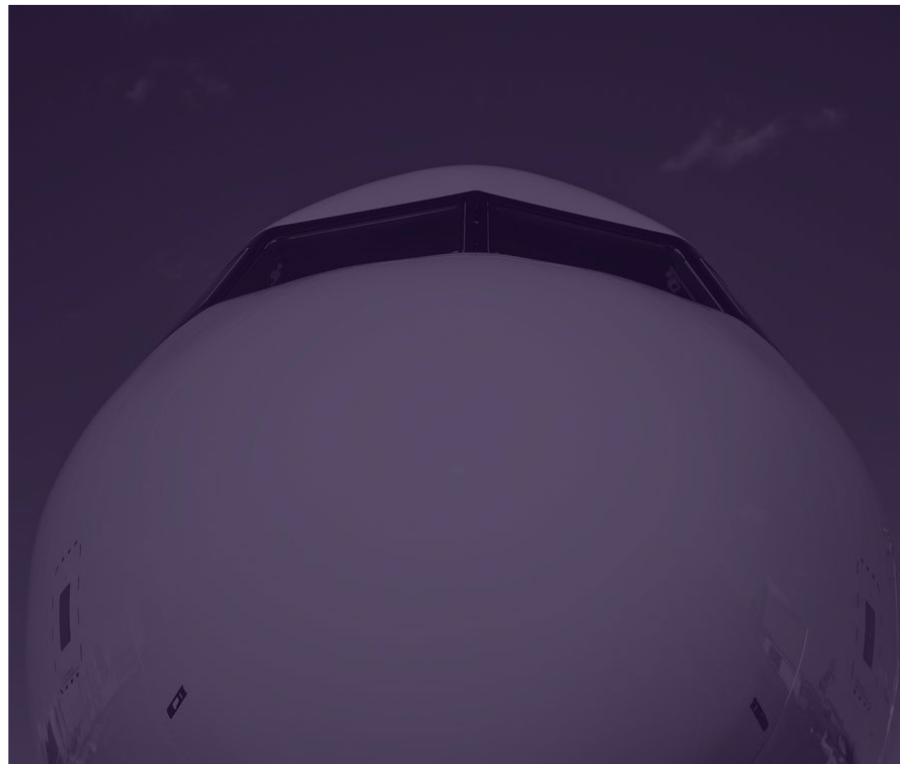
Take outs

Businesses need to work on making their foundations 'AI-ready' now by modernising their legacy systems to ensure they can capitalise on the opportunities to win customers. AI integrations will be impossible to layer on top of fragmented legacy architectures.

Providing an AI search experience on site will optimise content discovery and help customers with on-site market comparison, budget maximisation and other useful planning elements, instead of going elsewhere.

AI adoption needs strong governance, policy controls and observability, otherwise organisations potentially face chaos. AI can spread organically across your organisation often in ways that are unintended, poorly understood and difficult to control. The most effective organisations are working to establish guardrails early, starting with narrow, well-defined workflows, measuring outcomes rigorously and scaling only once value and risk are clearly understood.

Trust in AI recommendations versus websites and apps is split and care must be taken not to undermine brand equity built over years.



Clinching conversions

Identifying where travellers make their bookings and where they find friction in the process can signal where to experiment and make investments.

Booking completion is still lead by OTAs at 47% followed by direct at 30% and metasearch at 7%. AI's share for booking completion is currently small at 4% - though this does equal bookings offline via call centres or agents.

Price, brand reputation, fee transparency and ease of booking experience are the big considerations for who travellers book with. Those aged 18-24 are most concerned with both price (53% of base) and ease of booking experience (25% of base).

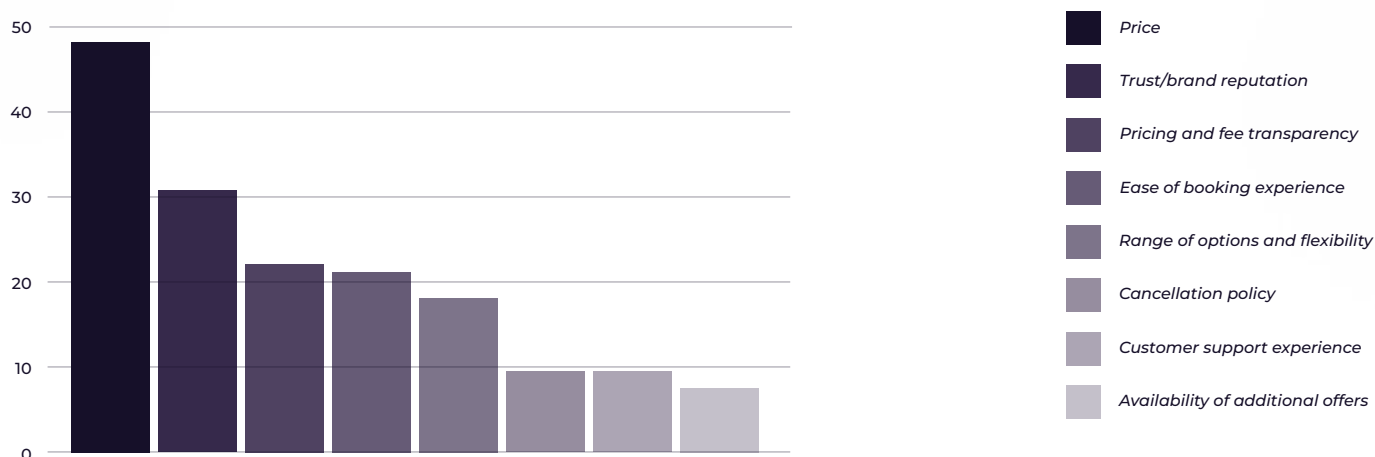


I think it would be naive to say the customers will stick only with one tool to make their decisions and we accept the fact that customers will go away and they will compare prices with various providers and will consult LLMs. They will go to Facebook groups and have exchanges with other travellers but then they come back and book with the company that gives them the best price, the best value for money, the brand they trust to look after them and, in our case, enables flexible payment terms.

Kasia Michalska

Chief Product & Technology Officer
On the Beach

Which factors, if any, most influence who you typically book with?



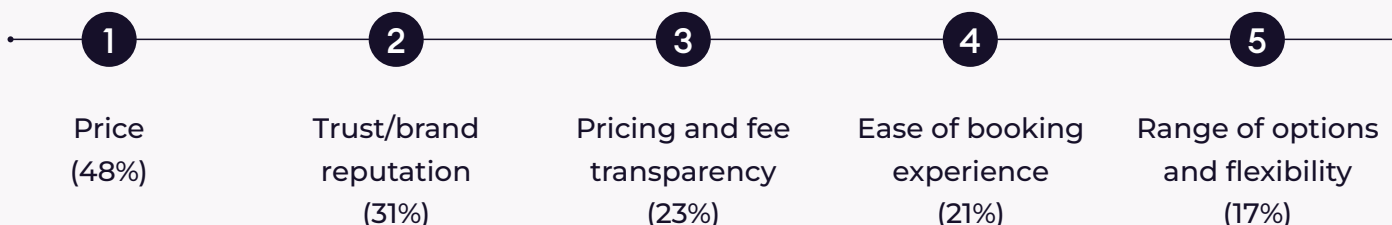
Regarding why travellers don't immediately complete their purchase, the highest ranked reason is looking to see if a better price is available elsewhere, followed by the need to discuss the purchase with other people. Lack of transparency on pricing or fees also makes people pause.

The youngest cohort say lack of options or flexibility is also a factor (25% of base).

Meanwhile technical issues were cited by 12% of respondents as the cause of booking abandonment, rising to 21% for the age 25-34 cohort.

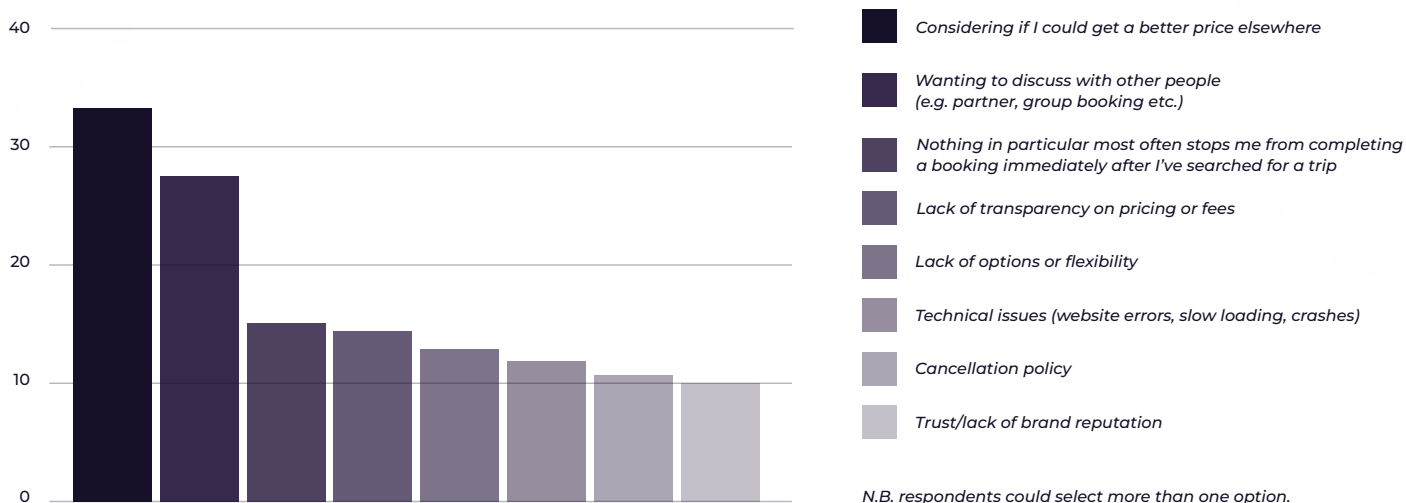
Respondents aged 35-44 (36%) and aged 55+ (35%) are more likely than the youngest cohort to pause booking immediately after they've searched for a trip.

Conversely, respondents were asked about factors that do drive them to complete a booking. The top five from a prompted list are:



N.B. respondents could select more than one option.

What, if anything, most often stops you from completing a booking immediately after you've searched for a trip?



Respondents aged 45-54 are more likely than those aged 35-44 and aged 55+ to say pricing and fee transparency are a big influencer on who they book with.

Looking at specific booking channels, price is more influential for those who typically book via a tour operator or package holiday provider than those who typically book via a travel website or online travel agency (57% vs 41%).

Finally, acquiring new customers always costs far more than driving repeat business. The top cited reasons for repeat bookings include:



N.B. respondents could select more than one option.

Other motivators include the ability to book the whole trip in one place and providing an easier booking experience.



Given how digital expectation and need for flexibility is evolving every day, brands should allow the customer to transact where they see fit, consider omnichannel experiences - and truly understand the various touchpoints of the customer which allows for personalised experiences. Businesses should consider investing in digital now to put the foundations in place and the enablers for when inevitably agentic generative AI completely changes the travel landscape.

Taya Reynolds
Chief Technology Officer
Hays Travel

Take outs

Modernisation not only readies your site for an AI future but also allows you to maximise the commercial opportunities you already have. For example, identifying and fixing the fails that cause 12% of booking abandonments will have an immediate positive commercial impact as part of developing a robust UX to ensure a seamless journey to conversion.

AI chatbot integrations can enhance customer service by providing pricing and itinerary breakdowns in the way the customer wishes.

Repeat business costs less than customer acquisition, so investment in systems that reward loyalty with contextual offers and rewards will drive the ROI on upgrading costs.

Optimising pricing and ancillaries

With margins on flights and packages historically thin^{v1}, the management of pricing and the value of optimising ancillary sales and loyalty schemes is a huge focus.

Our research showed that almost half of respondents (45%) prefer to see one clear, total price, with taxes and fees included upfront when booking. This came through strongly across all age groups, while the total price approach has even higher preference among those who book online via a tour operator or package holiday provider.

A fifth of the poll say they do prefer itemised pricing with the base fare and add-ons broken out clearly.

Extras most recently purchased by respondents are seat selection, checked baggage, travel insurance and hotel/ accommodation. The youngest cohort are most likely to have added checked baggage while seat selection was most popular with 55+, though a third of this age group didn't add any additional offers.

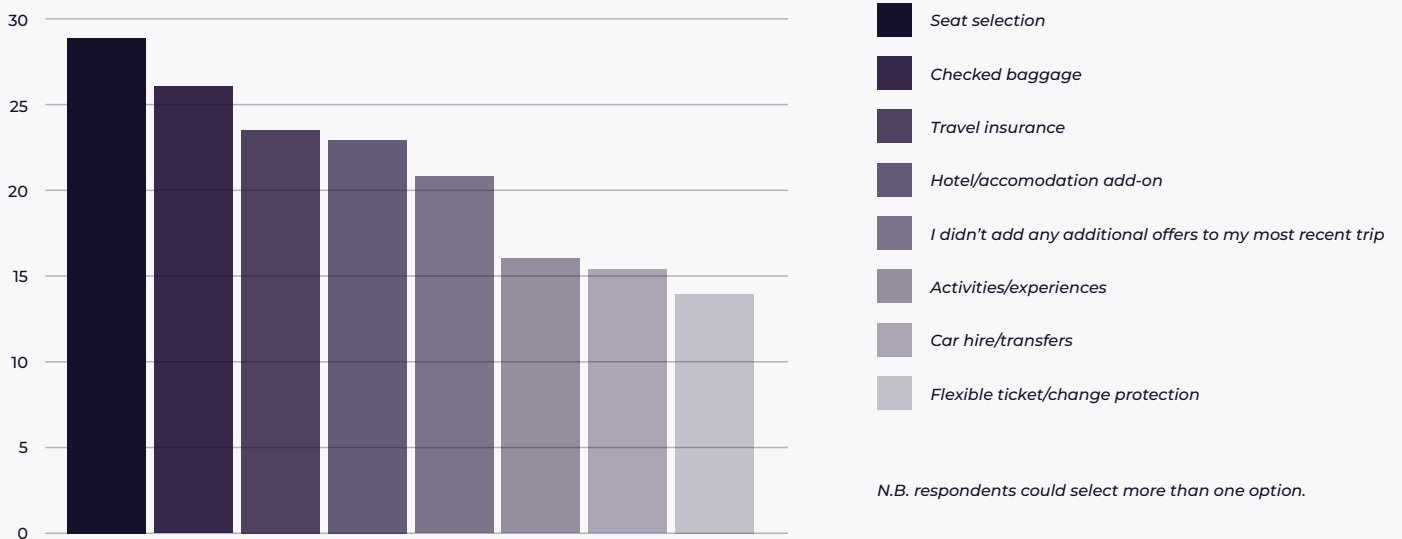
Those booking via a travel website or OTA added seat selection to their last trip most often.



I think we're going to see a really big drop off of page views and conversions - the metrics that would normally power a lot of marketing activity by travel providers. We're going to see people come to the website to book but not interacting as much with it. That's going to be the real challenge for travel providers. Businesses are going to lose a lot of insight into the customer journey which is a concern as there's a lot of decisions made in the industry by customer behaviour.

Steve Morland
Chief Technology Officer
Leighton

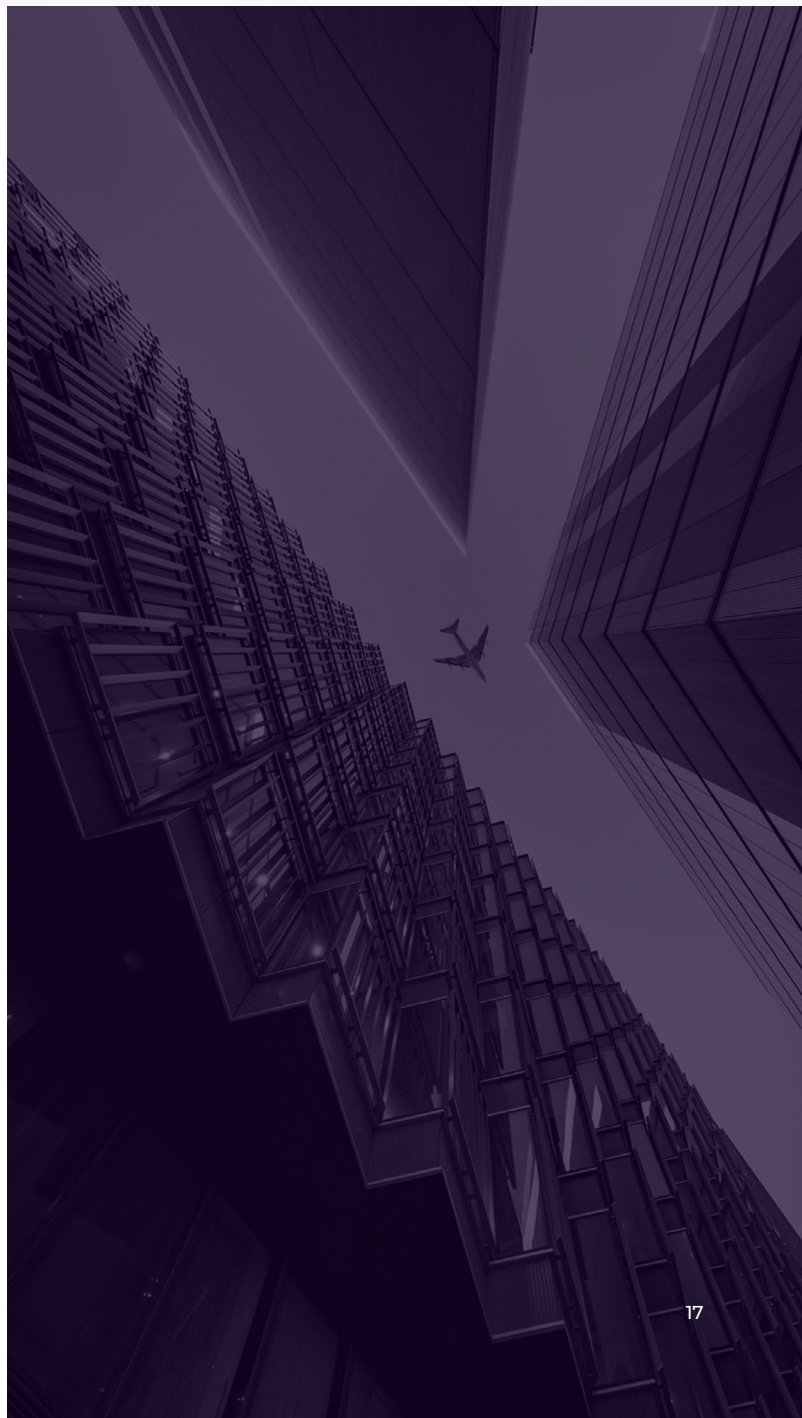
What additional offers, if any, did you add for your most recent trip?



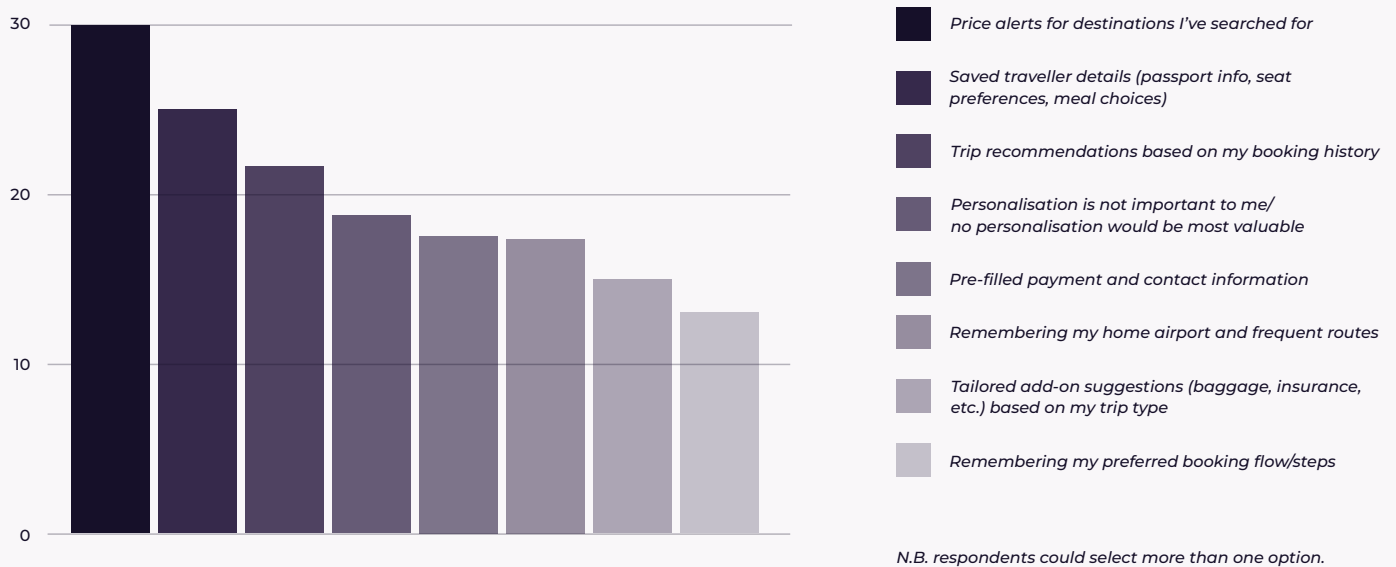
Looking at what encourages travellers to take up an additional offer or extra, shows saving money is the lead motivator (44%), then improving comfort/convenience (42%), followed by explaining offers clearly with no hidden terms (35%).

A fifth of respondents said they'd be more likely to accept an additional offer if it's presented at the right moment, if it's personalised to their trip type or if it enhances the experience. For instance, adding to a luxury feel or suitable for a family focused holiday.

Those who typically book online via a travel website or OTA are more likely than those who book online directly with a hotel or accommodation provider to take up add-ons for the enhanced experience.



What, if any, type of personalisation would be most valuable to you when booking travel?



You just don't notice personalisation when it's done really well; it just becomes part of what happens. It's about more than saving your regular trip details but rather, as you go through the travel journey, can the business start to prompt you with things that are meaningful to you as a person in a sophisticated manner? I think there's a real opportunity there.

Jack Smith
 Chief Executive Officer
 IAG Loyalty Retail

Travellers expect a degree of personalisation, and this has an influence on booking choices. Overall, 82% of respondents in our research say personalisation is important to them and we drilled down to identify preferences in more granular detail.

Nearly a third would like price alerts for destinations they've searched for, and a quarter would like their traveller details like passport information or seat preferences saved to avoid the frustrations of repeating data input. More than a fifth would like to see trip recommendations based on previous history.

A demographic dive shows respondents aged 18-24 are most likely to value saved traveller details (28%), while 55+ travellers feel price alerts for destinations they've searched for (28%) would feel most valuable.



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Things are changing very quickly and while we can't stop investing in our website, at the same time, we're probably going to have to start investing directly into the LLMs in some kind of way and integrating with them. Then we've got our app and what do we do with that? To help figure out the next moves, we must do a lot of learning very quickly, talk to a lot of people, see useful proof of concepts, and then we'll have to make some bets in certain areas.

Jack Smith

Chief Executive Officer
IAG Loyalty Retail

Take outs

Prioritise ensuring the customer data you capture, such as purchase data, is clean and well governed; such assets will become increasingly important if people begin navigating to LLMs for search and discovery and inputting less data into your website.

Deliver AI-powered recommendations and contextual offers based on the data you have and present it in a way that feels natural to customers. Ensure you understand the individual customer journey and when best to present these offerings.

The more intuitive the AI integrations on site the more businesses can provide the AI-informed search and discovery, or trip planning support, customers want without losing traffic or over investing in generative engine optimisation (GEO). GEO strategies are likely to become an extremely competitive, costly investment in a short space of time.

The Leighton viewpoint

The arrival of LLMs has brought travel businesses to an inflection point where they need to modernise to enable AI solutions that provide the seamless UX that travellers expect when researching, planning and buying their trips.

Overhauling systems now makes commercial sense because it allows you to address infrastructure issues that are currently causing conversion leakage and also lays the foundations for the fast-approaching mass consumer adoption of AI.

Now is the time to explore AI use cases that provide intuitive 'sticky' experiences. Investigate how integrations can deliver price comparisons, budget maximisation, personalised recommendations and other features.

A deeper focus on personalisation will be expected by customers as their journey fragments and investing in core personalisation infrastructure will be key. This will require customer data platforms, identity resolution, behaviour tracking and recommendation engines.

The overarching challenge is that many travel businesses are still operating on a patchwork of legacy systems that will make it difficult to support these types of capabilities.



I think travel providers will need to make use of their customer data and need to start looking at how AI can create compelling experiences that are less step-based and more generative. Case in point, interpreting that natural language query typed into a box into a valid search, a valid booking.

Steve Morland
Chief Technology Officer
Leighton

There are trailblazers. Expedia partners with several AI platforms including OpenAI and Perplexity to power its conversational search and booking capabilities. When presenting its 2025 results the company said that generative AI opened up new growth opportunities, adding: *“We’re working with all the major platforms, ensuring our brands show up prominently in gen AI searches and function effectively with agentic [AI] browsers^{vii}.”*

Another example is Skyscanner’s new planning app integrated with Open AI’s ChatGPT that allows users to ask queries in natural language and receive personalised responses^{viii}.

The priority list summary

- 1 **Modernise retail and booking platforms**
- 2 **Invest in personalisation infrastructure**
- 3 **Improve conversion performance**
- 4 **Prepare platforms for AI-driven discovery**

Getting the right foundations in place

Cloud modernisation is the foundation that makes all of this possible. Leighton’s approach treats cloud modernisation not as a technical exercise but as a commercial enabler, migrating and re-architecting platforms so they are secure, scalable, and genuinely ready to integrate with AI.

This means moving away from monolithic, on-premise infrastructure towards cloud-native architectures that allow new AI capabilities to be deployed, tested and scaled with speed and confidence.

The investment case is clear: cloud modernisation reduces the cost of maintaining legacy systems, improves platform performance and resilience, and creates the technical conditions in which practical AI adoption becomes straightforward rather than structurally impossible.

Find out more.





Integrating with LLMs is technically straightforward for On the Beach; I don't think it's true for everyone because for those that haven't invested in modern infrastructure and modern technology the barrier to leverage AI in the way we can is much higher. This is a consequence of our having invested in technology for years.

Kasia Michalska

Chief Product & Technology Officer

On the Beach

Making sure you are AI-ready

Outdated, fragmented tech stacks mean it's much harder to address key booking factors like transparency, speed and poor CX. Legacy technology remains the single biggest drag on innovation, with estimates that up to 60-80% of IT budgets are spent maintaining legacy systems^{ix}.

Equally legacy systems cannot easily be practically integrated with AI. To maximise on the opportunities presented by AI, companies must invest in a modern, reliable and robust infrastructure that can facilitate innovation and maintain operations at the same time.

This matters commercially for two reasons: modernisation is now mandatory if companies want to capitalise on the strategic advantages offered by AI, and boards can now justify transformation on hard ROI, not strategic intent alone.

Organisations that fail to modernise will find themselves unable to operationalise AI at scale. Those that act can reallocate legacy spend into growth, innovation and customer experience.

What's next – finding practical AI use cases for your business

Many organisations recognise AI's potential but struggle to translate ambition into practical use cases that deliver measurable value. Our AI ideation workshop helps technology and product leaders identify high-impact opportunities for AI across products, platforms, and operations.

Through a structured session with Leighton's AI, product, and architecture experts, you'll prioritise viable use cases, assess technical feasibility, and define clear next steps to move from experimentation to production-ready AI capability.

Book an AI ideation workshop to turn AI ambition into actionable next steps.



Case studies

At Leighton we have worked with travel tech leaders to help solve complex challenges and develop industry-leading digital experiences that drive conversion, profit and loyalty.

Here are two case studies to illustrate the impact digital modernisation can have for a business and the way in which we have been exploring practical implementation of AI together with our partners.

Case study 1

Re-imagining travel search and discovery through AI

The challenge

To better support the travel and aviation industries with the practical application of AI, Leighton developed and launched an intelligent travel assistant. The result? Voyager – an AI-powered travel assistant that demonstrates how artificial intelligence can simplify travel search and deliver more personalised experiences in practice.

The solution

Using voice search and conversational UI, Voyager autonomously searches real-time flight and hotel options based on traveller preferences and context.

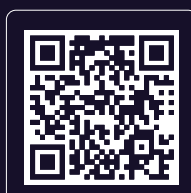
It enables natural interactions like “Find hot destinations for windsurfing” or “Show Bali packages for December,” learning from travel history to refine and personalise results over time.

The platform connects disparate data sources to ensure comprehensive search results – in this case across SQLR, PDF brochure content and API content. It also operates within defined AI guardrails to control generated responses and ensure the right level of governance is in place to guarantee security of data and control over things like discounts, offers and packages.

The results

Voyager encompasses the future of travel discovery and allows organisations to offer customers personalised recommendations through AI.

It is a practical example of how the travel, aviation and hospitality industries can use agentic AI to power search and discovery. The natural language prompting enables travellers to use conversational search which learns from their travel history to refine and personalise search results over time.



See Voyager
in action

✦ Welcome Lee, how can I help you?

Take me somewhere
warm in November that
I haven't visited before.





Case study 2

Streamlining retail operations for Avios customers

The challenge

IAG Loyalty Retail wanted to evolve its existing approach to commerce operations to ensure a futureproof blueprint that could support multiple brands, products, partners and millions of customers. Its existing approach relied heavily on third-party platforms, and the business needed more ownership and control as it scaled to meet its ambitions. It also needed robust foundations in place that would ensure the platform was AI-ready allowing for integrations further down the line.

The solution

Leighton worked with IAGLR to modernise its legacy infrastructure, providing a better commerce experience for customers and improving operations behind the scenes – from streamlining Avios points exchange to improving and automating order management and fulfilment. The new platform – delivered in just 14 weeks - gives IAGLR the flexibility to launch new propositions quickly, add additional brands and scale its platform in line with the business needs.

The results

The platform can handle high-volume traffic with ease and is built to scale well beyond its original target of 2,000 orders per day, making it a core, repeatable system within IAGLR's loyalty retail ecosystem.

The solution also integrates with a Leighton-developed AI agent solution that enhances customer service operations and provides real time access to order data for customers.

Finding the right partner

Engineering and IT teams at travel, aviation and hospitality companies are notably lean. At times, partners are needed to help with specialist expertise, ideation shift into project development, speed to market and all-round extra capability.

What should the criteria be when assessing a partner? These are the questions a CTO should be asking suppliers:

- *Do they have domain expertise? Travel is a richly complex product with many suppliers and stakeholders involved.*
- *Can your partner ideate and develop a proof of concept quickly - and one that scales?*
- *Do they understand how to take experimentation into production in a safe way with knowledge of how to turn experiments off when necessary?*
- *What level of support can you expect once the product/experience is launched?*
- *Can they provide advice on cloud optimisation?*
- *Are they excited about technology and how it's changing?*





Travel offers a really rich product, and I think that is one of the bigger challenges - a lot of partners working with travel and tourism for the first time underestimate the complexity. And when you start adding ground products like hotels and transfers or hire cars, it gets increasingly complicated. Businesses need to be looking at digital disruption maybe as a product. How can they leverage innovative approaches, modern technologies, make themselves more accessible, make themselves more findable, make themselves more bookable?

Steve Morland
Chief Technology Officer
Leighton



People forget that what really does still matter is investing in the core capabilities and the technology that underpins the fulfilment, because that's not easily replicable. Many people will try to outcompete ChatGPT and Gemini but to understand how you sell holidays, and any other travel product requires a deeper understanding of technology. I think in times like this, focusing on the core principle of solid technology foundation and on measuring ROI in the right way should be the focus and prepare for optionality because we do not know what's going to happen in the future.

Kasia Michalska

Chief Product & Technology Officer

On the Beach

Conclusion

Understanding traveller behaviours and attitudes at a granular level on a continuous basis will be essential to deciding where to focus modernisation efforts.

This report should help you identify where investment can currently optimise the customer journey to conversion and prevent leakage and at the same time it highlights the areas where integration with AI capabilities will have sizeable commercial impact.

Marshal your investment arguments for the C-suite with use cases, case studies and proof points. Those who frame AI as an opportunity and start prioritising modernisation workstreams and AI ideation to future-proof the business will be on the front foot when navigating the fast-changing travel landscape.

The question is not whether to act, but where to start. For most travel businesses, that means addressing cloud infrastructure and data foundations first, because without them, no AI initiative will reach its commercial potential.

If you'd like to talk to us about the challenges you're facing, whether it concerns cloud modernisation, identifying practical use cases for AI or developing compelling customer experiences, then we'd love to hear from you.

*Please contact our Head of Business Development **Rob Yardy** via **rob.yardy@leighton.com** or through LinkedIn.*



Leighton is a digital product engineering consultancy focused on application modernisation, cloud enablement, and practical AI adoption and implementation for the travel, aviation and hospitality industries.

We design, build, and continuously improve digital products and platforms that are scalable, secure, and commercially effective. Our expertise covers the full product lifecycle, including architecture, engineering, data, UX, QA, delivery and analysis. Our mission is to empower our customers to deliver value with greater speed and certainty.

Specialists in cloud enablement, we modernise applications and cloud infrastructure to improve performance, security, resilience, and cost efficiency. We also help organisations move beyond AI experimentation by identifying practical use cases, building AI-enabled features and automation, and putting the right governance in place to scale safely and responsibly.

We offer two clear starting points: a modernisation assessment to establish what needs to change and in what order, and an AI ideation workshop to turn AI ambition into prioritised, technically feasible use cases. Both are designed to move you from strategy to execution quickly.

For more information about Leighton scan the QR.



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- III) www.partners.skyscanner.net/news-case-studies/horizons-2026-spending-trends
- IV) www.mckinsey.com/capabilities/growth-marketing-and-sales/our-insights/new-front-door-to-the-internet-winning-in-the-age-of-ai-search
- V) *The research was conducted by Censuswide, among a sample of 1,000 respondents who have booked a flight, accommodation (hotel), cruise, package holiday online in the past 12 months. The data was collected between 12.02.2026 - 16.02.2026.*
- VI) www.mckinsey.com/industries/travel/our-insights/the-economics-of-an-airline-flight
- VII) www.travelweekly.co.uk/news/expedia-hails-generative-ai-growth-opportunities
- VIII) www.uktech.news/ai/skyscanner-turns-to-chatgpt-with-ai-flight-app-20260227?p=154604
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