



TOP 5

TRAVEL & LEISURE TRENDS FOR 2025

A WNS Perspective

The travel and leisure industry has experienced unprecedented turbulence. Two years on from the pandemic's outbreak, travel is ready to be reset. Enterprises are bracing for a post-vaccine travel boom, with a strong drive from consumers to rediscover the world.

As global demand for travel and leisure services continues to build momentum, the industry must keep pace with customer expectations in a digitally connected world. Promisingly, industry leaders used time spent ground to a halt wisely, recalibrating, embracing innovative technologies and developing new capabilities.

Research from WNS and Corinium Intelligence demonstrates the digital progress made within the travel industry.¹ A significant 40 percent of leaders say automation projects accelerated by at least three years due to the pandemic, while 60 percent say their organizations have completed client-facing digital transformation efforts.

Here, we explore the five trends in travel that will change the way businesses function in 2025.

1 Elevated Expectations

Travel has never been more important to consumers. Research shows that 87 percent of people globally agree that having a trip planned in the future gives them something to look forward to.² As pent-up demand is unleashed post-pandemic, the next five years will see heightened expectations among travelers as they seek to make up for lost time.

Industry leaders are embracing innovative technologies to meet these enhanced expectations and ensure customers aren't disappointed. Virtual Reality (VR) is one such tool, with a new wave of organizations offering immersive experiences³ into a destination, so travelers can 'try before they buy.' For example, Chile's tourism board launched a campaign that

enabled people to experience the country at home, from its music and films to its wine and agricultural heritage.⁴

Digital transformation is also helping companies surpass expectations behind the scenes, from using the Internet of Things (IoT) to improve flight schedule accuracy to leveraging analytics, Artificial Intelligence (AI) and Machine Learning (ML) to glean better insights into evolving customer preferences.⁵ Domain-led hyperautomation platforms, meanwhile, are helping drive operational agility and responsiveness by automating crucial and complex processes.⁶

2 Hyper-personalized Profiles

The pandemic's transformation of travel has rendered much historical data invalid. However, enhanced digital capabilities are enabling businesses to harness customer data in new ways, understand them like never before, and deliver the kind of hyper-personalization that can evoke long-lasting brand advocacy among customers.

Hyper-personalization requires rich customer insights and the ability to connect the dots. Advances in capturing and collecting data — increasingly in real-time — are helping businesses tap into new data sources, consolidating this data

through Master Data Management (MDM) systems⁷ that enable a single source of customer truth to emerge.

By 2025, personalized services will enable most future-facing brands to gain and sustain loyalty in the long term. As Markus Schreyer, senior vice-president of Design Hotels, says: "Moving forward, we will be more in control of our time. Travelers will not be limited, and the currency for brands in the future will be how much time travelers will spend with them."⁸

3 Augmented Expertise

After a period of unprecedented turbulence, society is now experiencing an epidemic of widespread mistrust in global institutions. In response, the next five years will see a return to the experts as consumers seek out guidance and trusted voices in a noisy landscape.

Within travel, this means a human touch will be more important than ever. Recent research shows this in action, with 44 percent of US travelers who rarely or sometimes used travel advisors in the past saying they were now more likely to use one post-pandemic.⁹ Instead of a return to the old days, however, 2025 will see

human employees augmented by the power of digital technologies re-defining operational excellence.

The most forward-looking players in the Online Travel Agency (OTA) space are already harnessing digital to transform employees into intelligent personal travel assistants for the new-age customer. One OTA, for instance, has created a microsite to accompany its main offering, which allows customers to browse and connect with travel experts across the US.¹⁰

4 Before & After Travel

In an economy driven by experiences over products, consumers now want their holidays to start from the moment they book, adding to the anticipation of traveling. Similarly, they don't want their trips to end when they arrive home. For travel and leisure businesses, this is driving a new way to maintain loyalty and long-standing relationships with customers through elevated ancillary services.

Both airlines and hospitality brands are betting heavily on predictive analytics, digital, AI, ML, Natural Language Processing (NLP) and IoT to help them win the ancillary game. With the right data infrastructure, behavioral profiling¹¹ enables companies to identify the right ancillaries to be offered through the right channels.

By 2025, ancillary services will have evolved to offer ultimate convenience. One Swiss airline is paving the way, offering its passengers the option of having their baggage collected at home before they leave for the airport.¹² US-based hotel Zero George, meanwhile, has joined forces with meal delivery service Sakara to offer a meal plan that aims to establish healthy eating routines in the days following a holiday.¹³ “We wanted to offer a package that extended when guests get back home,” says Vinson Petrillo, executive chef at Zero George. “It alleviates the post-vacation blues and gives travelers something to look forward to when they get back.”

5 Conscious Escapes

Sustainable travel is more important than ever. With the world no longer the playground it once was, consumers and companies alike are moving away from the encouragement of gratuitous destination-hopping and re-focusing their behaviors on planetary and social good.

One recent research¹⁴ shows this in action, revealing that while 83 percent of global travelers think sustainable travel is vital, 49 percent believe there aren't enough options available.

The next five years will see companies working to change this perception — and offering greater transparency represents one means of doing so. Aerial, for example, is a new application that lets people understand their carbon footprint from travel — flights, ride-sharing or trains — and helps them offset its impact through conservation projects.¹⁵

Alongside sharing data and insights, Aerial also has a community aspect that encourages users to invite friends and compare data, adding a gentle layer of competition to inspire more positive habits. OTAs have an opportunity to build similar functionality into their services and platforms, encouraging conscious options for customers for whom sustainable travel indexes highly.

To meet heightened expectations, the travel and leisure industry must embrace insight-led transformation using cutting-edge digital solutions. Doing so can drive operational agility, help customers feel understood, re-define customer service excellence, and help identify new revenue streams.

(This article was created in collaboration with The Future Laboratory)

Know more about WNS' digital-led solutions for the travel industry

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