



The Future of Travel

Travel Breakfast

March 2026

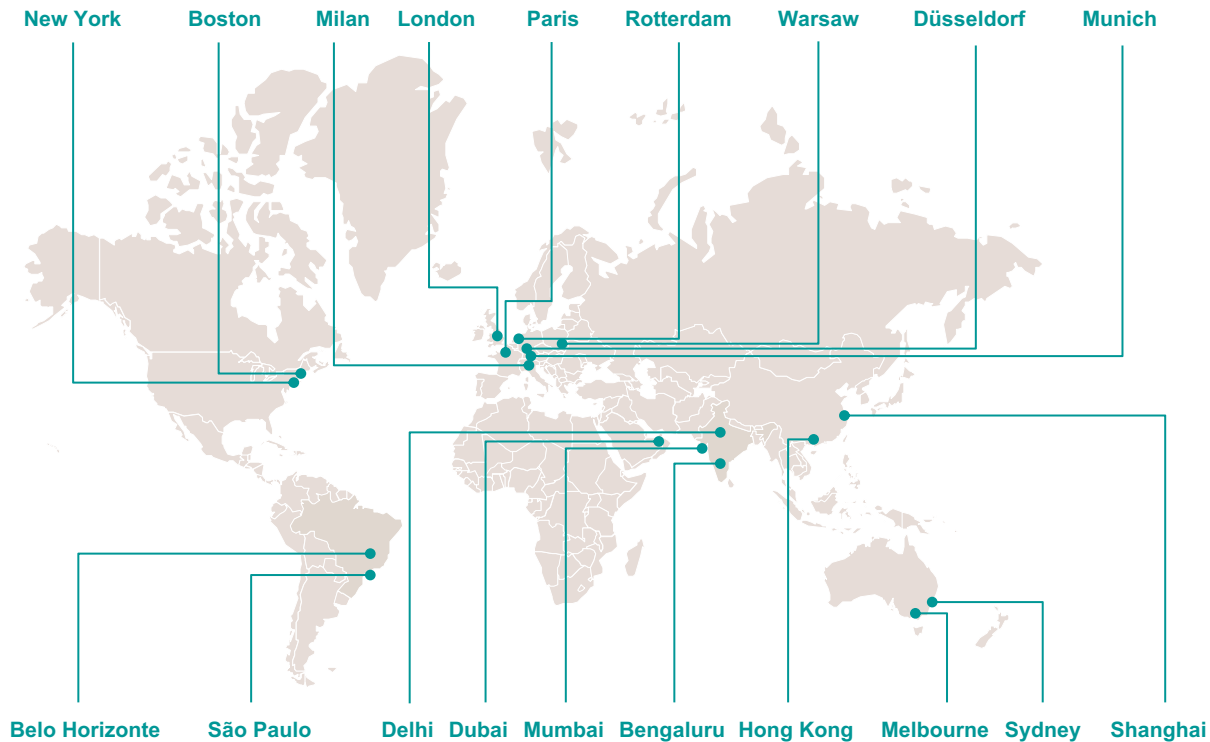


OC&C
Strategy consultants



Introduction to OC&C

- Founded in 1987
- Strategy consulting boutique, focused on consumer industries
- 19 offices, team of 1,000 consultants
- Work with start ups to S&P 500 companies



John Franklin
Partner



Phil Hunt
Partner



Agenda

Trends in Travel

Riding the AI Wave

Travel remains structurally attractive underpinned by several supportive underlying trends, despite some nearer term volatility

Key Travel Market Trends



Tourism continues to outpace GDP, driven by rising participation and spend. Holidays remain one of the most resilient discretionary categories



Macroeconomic and geopolitical uncertainty is softening 2025 demand (notably UK inbound), with risks extending into 2026

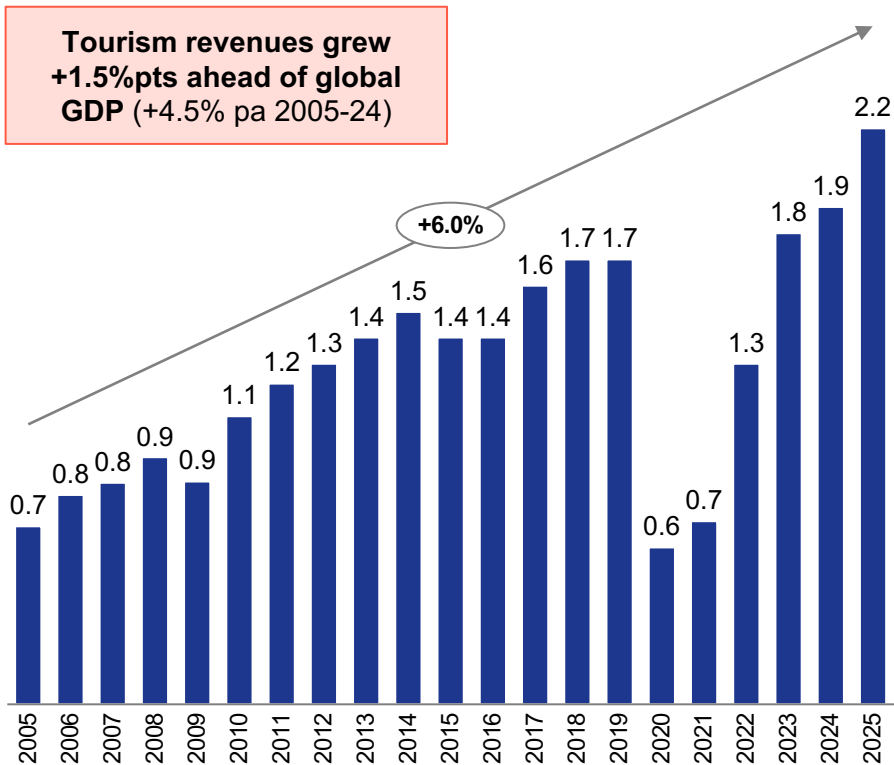


Long-term tailwinds remain: shift to experiences, premiumisation, tailored travel and bleisure / remote work — supporting sustained growth

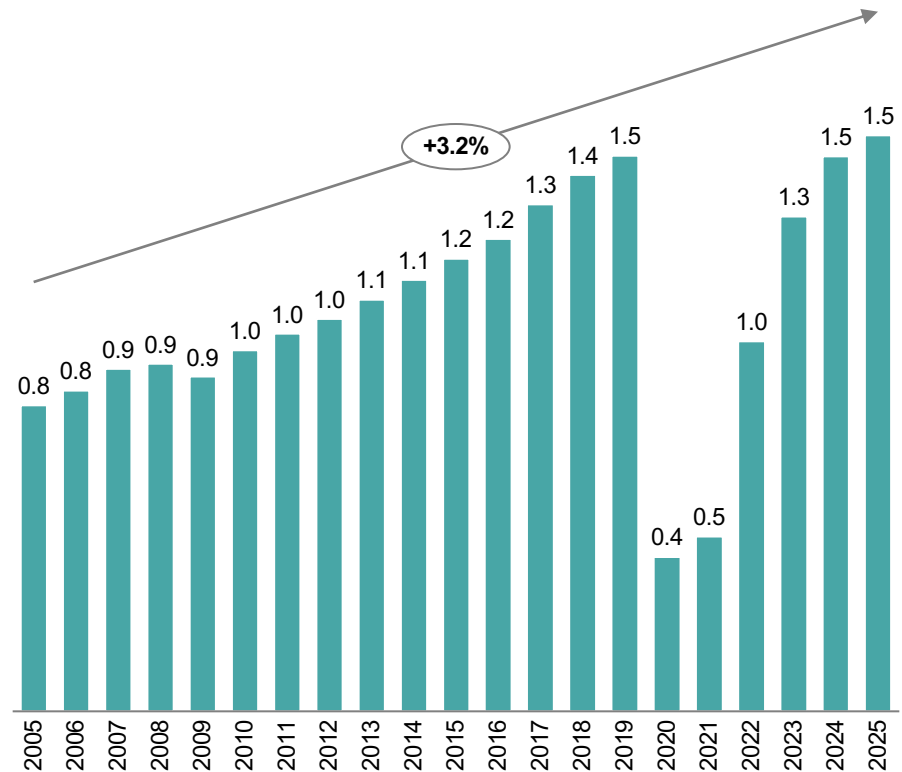
Global tourism is in long run structural growth, growing ahead of GDP, driven by both growing tourist volumes and spend

Global Long Term Tourism Trends

Export Revenues from International Tourism¹ (Trillion USD)



International Tourist Arrivals (bn)



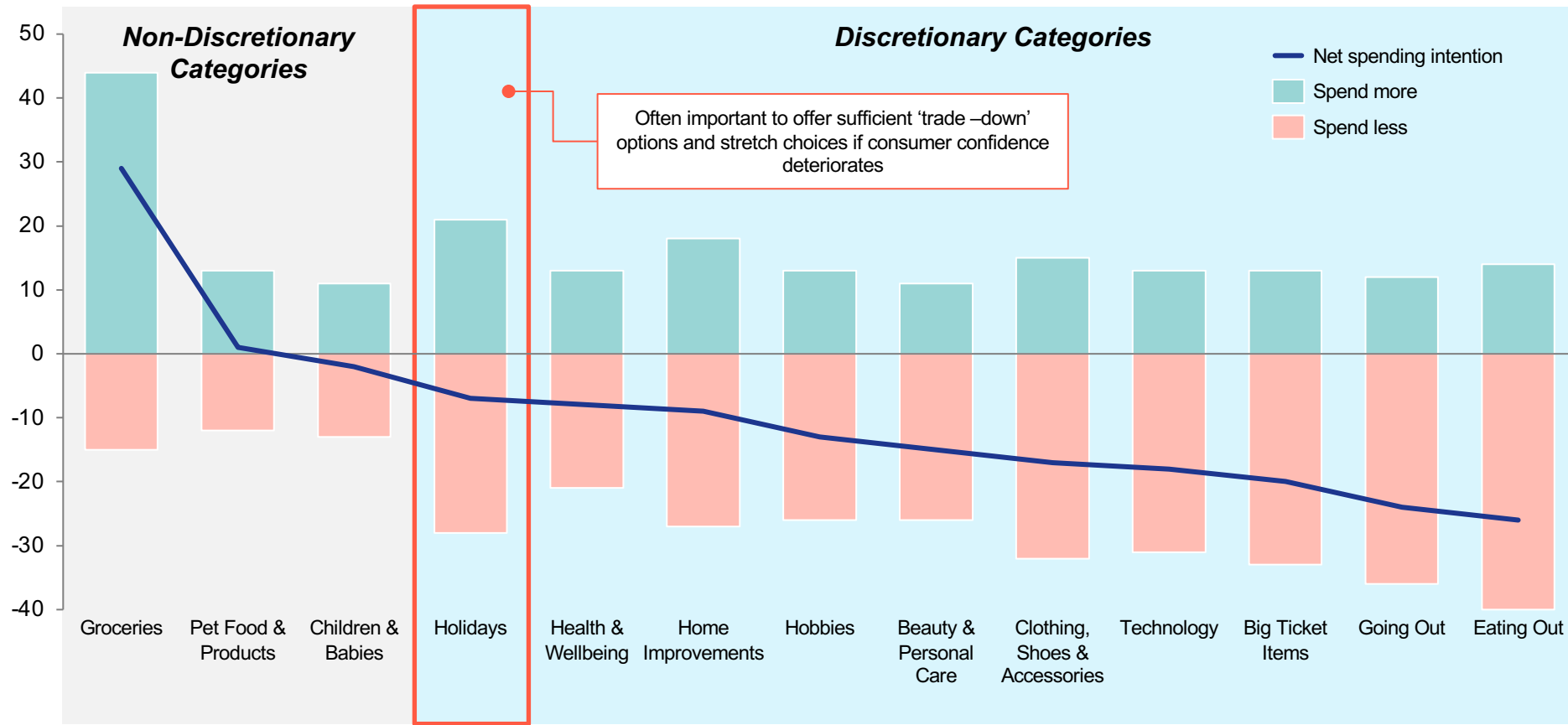
1. Revenues include international tourism receipts and passenger transport fares
Source: UNWTO, OC&C analysis



“Holidays” are seen as the most protected ‘discretionary’ spend category for consumers, supporting long term market growth

UK Consumer Sentiment Index

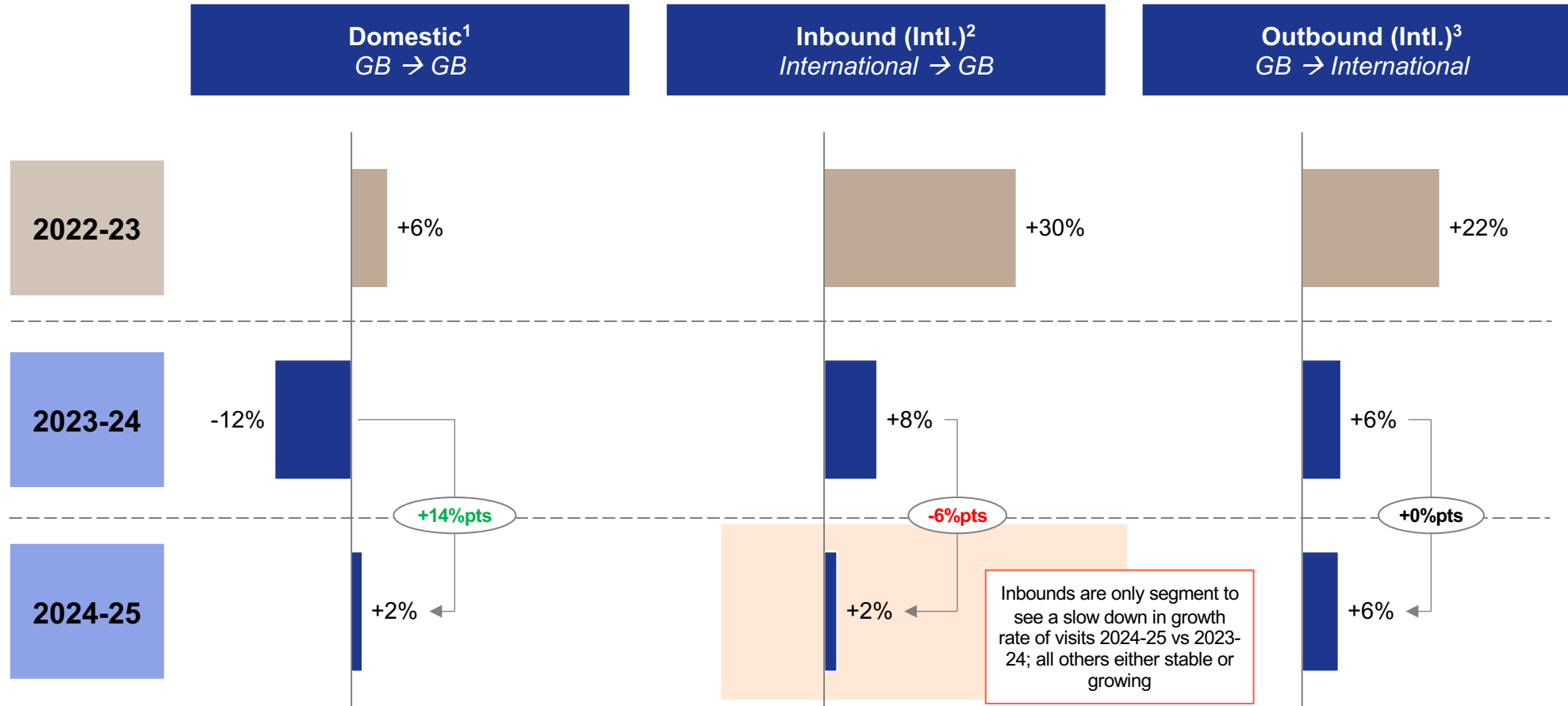
“How do you expect your spending to change on the following categories over the next 12 months?”
 Net spending intention = % Spend More - % Spend Less



Post-COVID travel UK has seen mix performance – strong post-COVID recovery seen in international travel has softened



UK: Total Visits Growth by Type, 2022-25
(% YoY Growth)



1. Domestic from Visit Britain, for Q1-Q3 of each year (Q4 2025 not released); includes domestic overnight trips and domestic tourism day visits 2. Inbounds from Visit Britain, for all months in each year 3. Outbounds from ONS, for whole year 2022-24, and Q1 & Q2 only for 2024-25

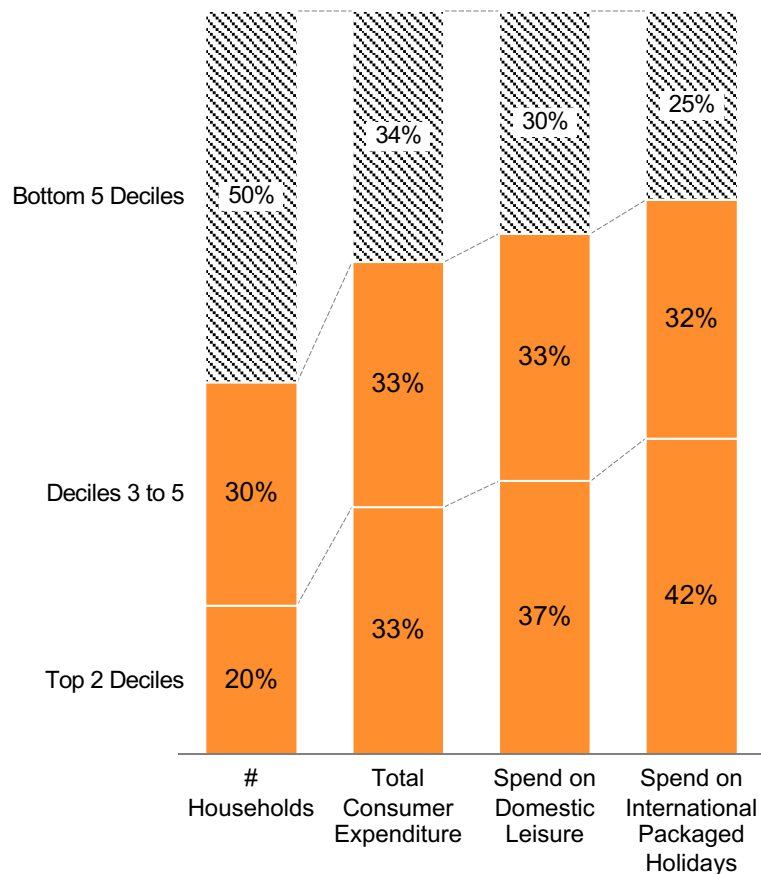
Source: ONS, Visit Britain, OC&C analysis



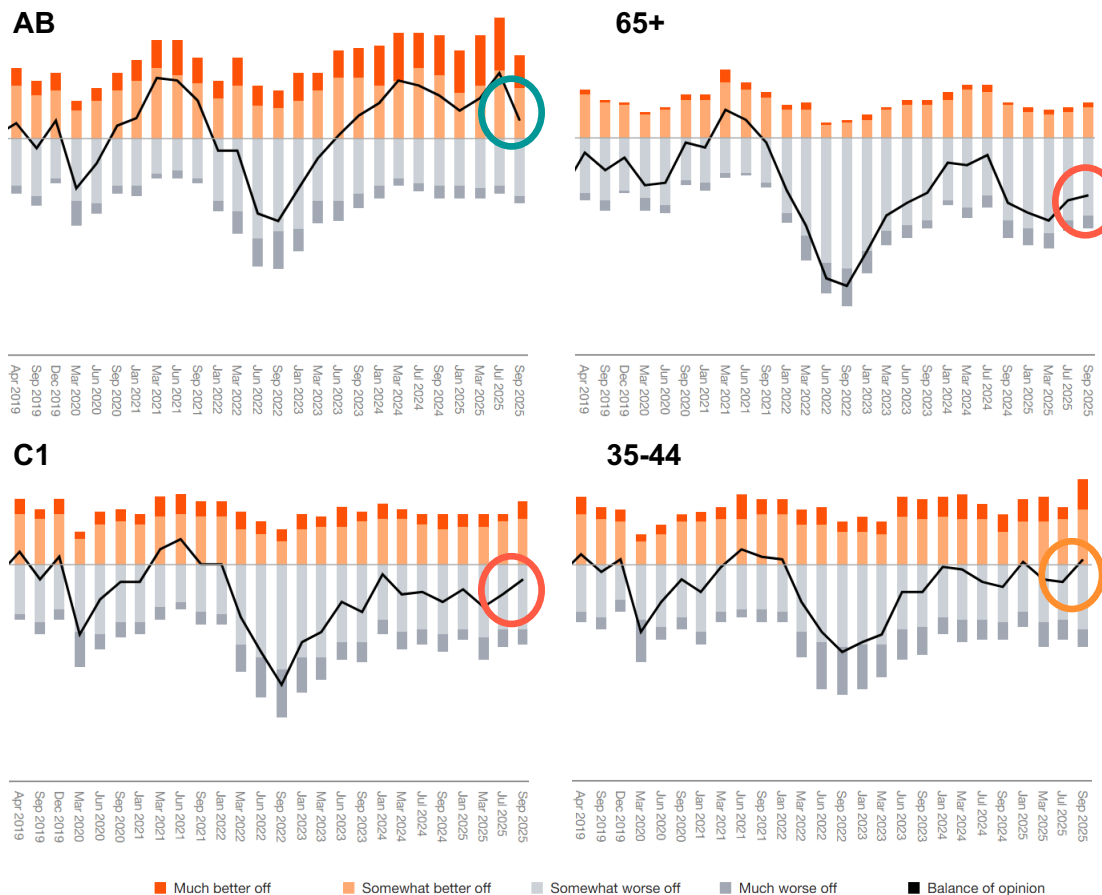
Mid to higher affluent segment sentiment matters, with a divergence clearly between AB and C1s, and 65+ vs 35-44



Breakdown of Consumer Expenditure by Income Decile, FY24¹



Divergence in Consumer Sentiment by Socio-demographic & Age, Apr 2019 – Sept 2025



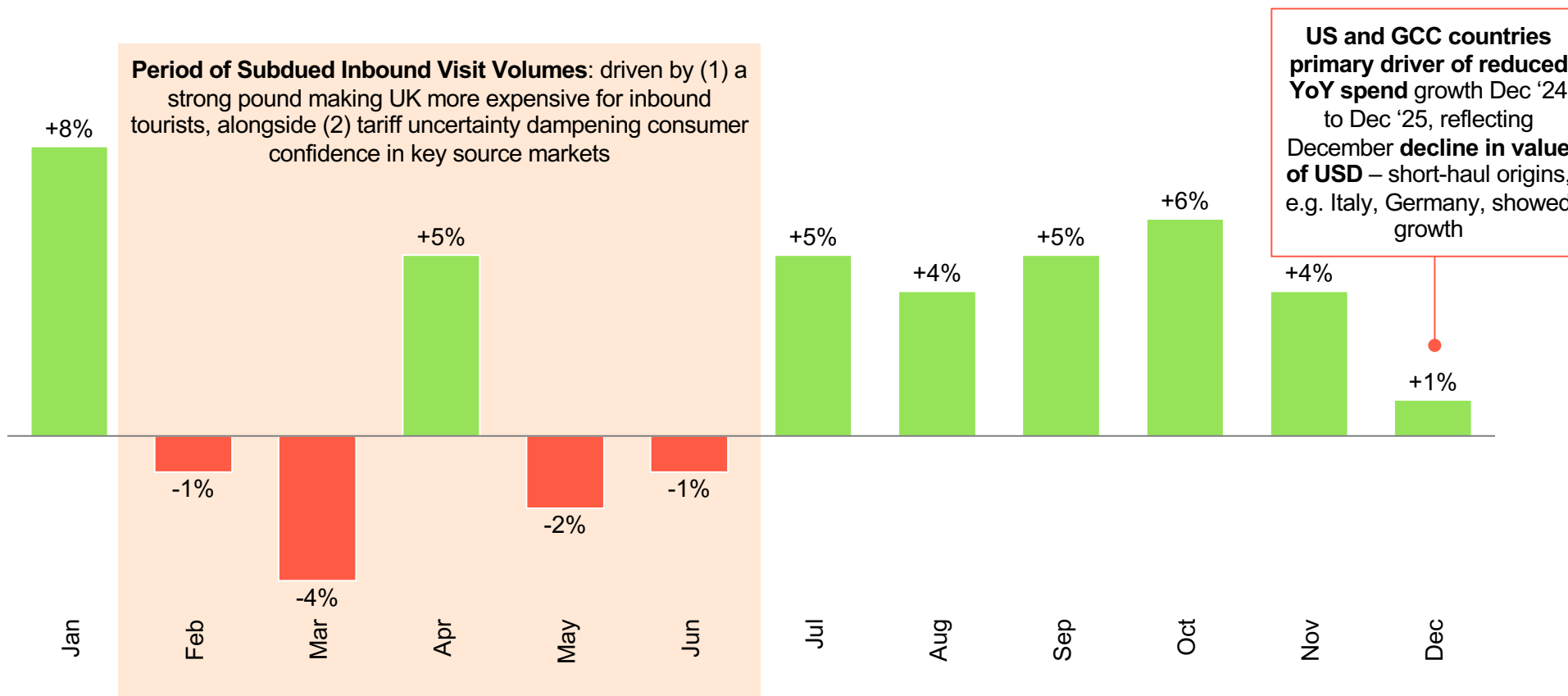
1. April 2023 to March 2024

Source: PWC Consumer Sentiment Survey, ONS, OC&C analysis



Subdued inbound travel spend in 2025, primarily in first part of the year, coinciding with tariffs & a strong pound; H2 showed normalisation

UK: Total Inbound Sales Growth by Month¹, 2024-25
(% YoY Growth)



1. Based on Visa credit card data – card spend per month from inbound tourists in UK
Source: Visit Britain, OC&C analysis



Despite 2025 turbulence, overall travel outlook remains strong, benefitting from a series of long-term and favourable trends



Trading up and Premiumisation

Consumer needs and willingness to pay for quality and service is evolving, supported by affluent demographics



Investment in immersive and tailored experiences

Travel is increasingly personalised and diverging from traditional hotspots – 58% of global travellers prioritise unique or off-grid experiences



Continued spend on experiences over goods

Consumers continue to prefer spending money on experiences over goods – 24% of UK consumers planned to increase experience spend in '25 vs '24



Remote work and blended travel

Remote working's resilience post-Covid has allowed for blended work & leisure travel, allowing more trips – 37% of firms observe rise in 'bleisure'

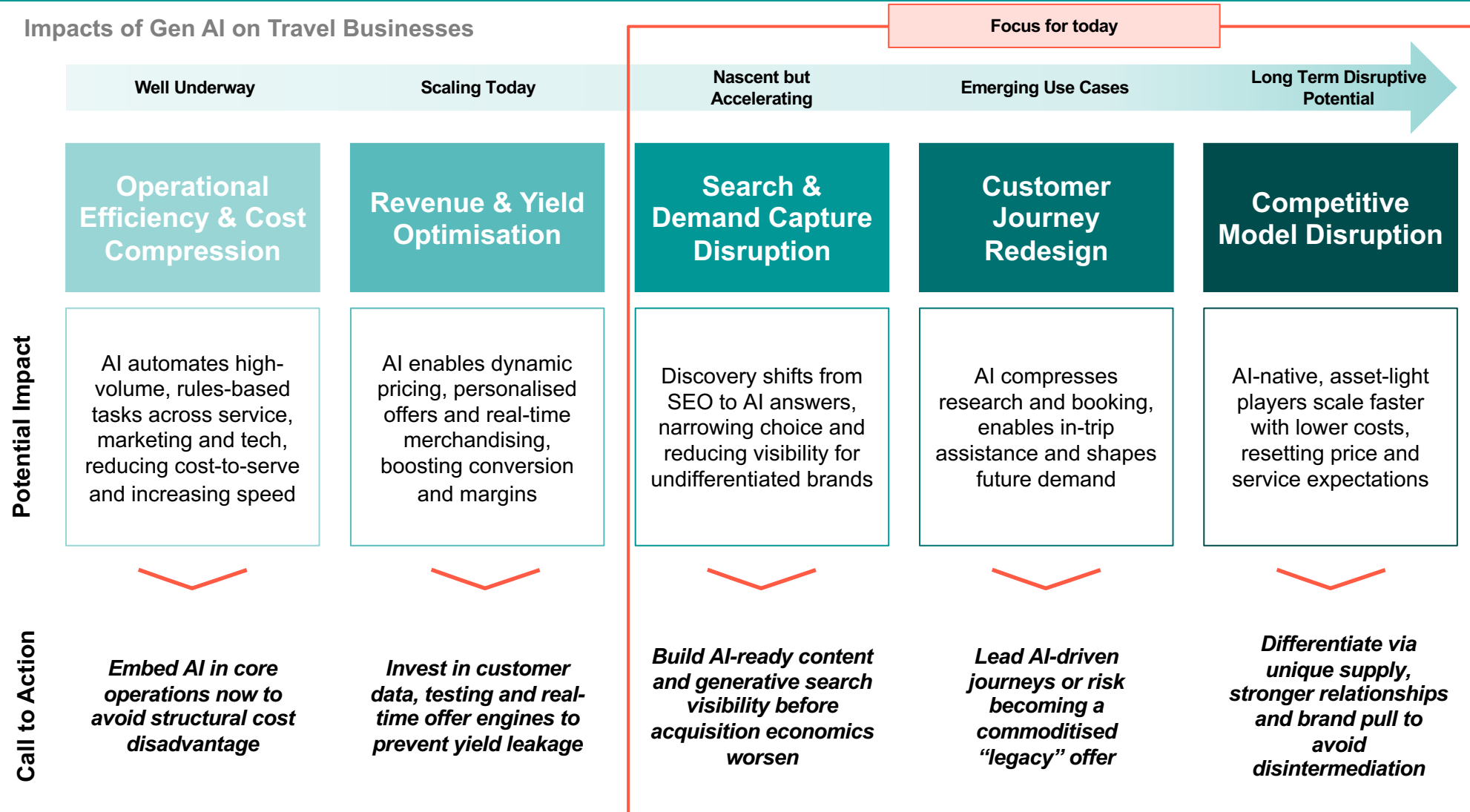
Agenda

Trends in Travel

Riding the AI Wave

GenAI is reshaping the travel value chain, and its impact will accelerate – we see 5 main ways that gen AI will transform the travel landscape

Impacts of Gen AI on Travel Businesses

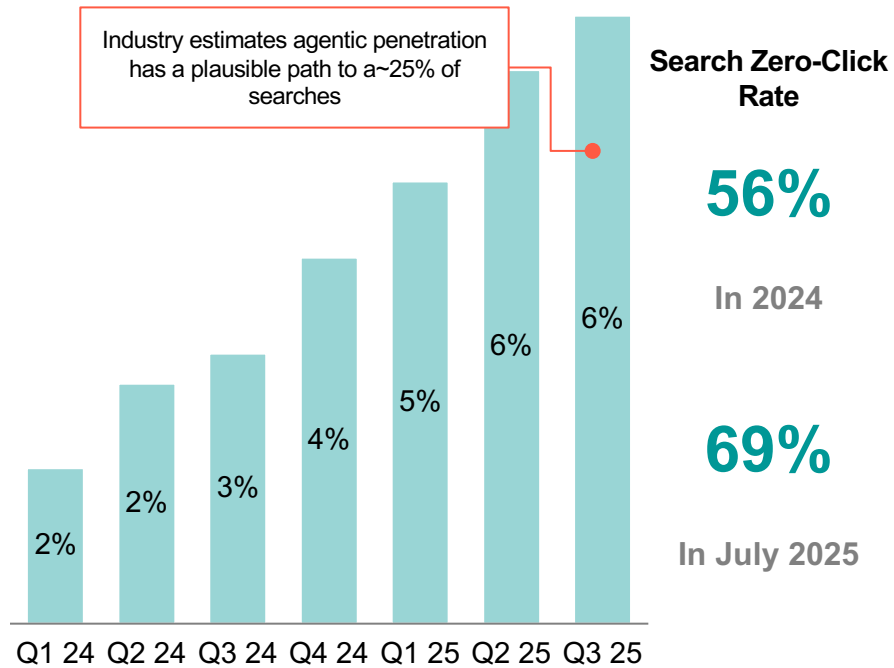


GenAI is already starting to transform how brands reach customers, with GEO set to replace SEO over the near & mid term horizon

Agentic Search Impact on Travel

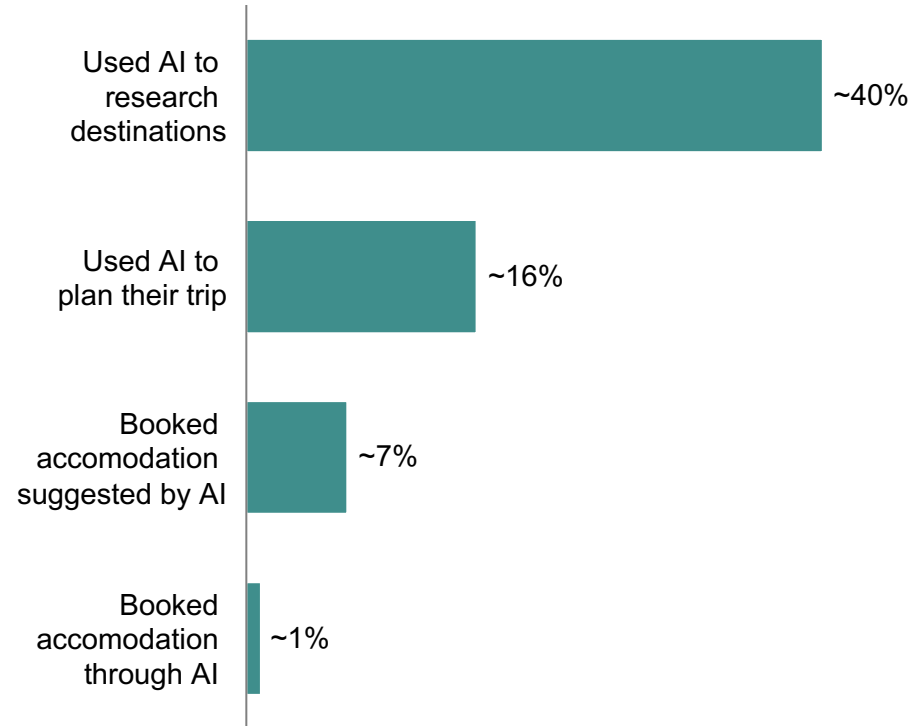
AI is already suppressing traditional search...

Share of Domain Visits to AI Platforms, US 2024 – 2025YTD



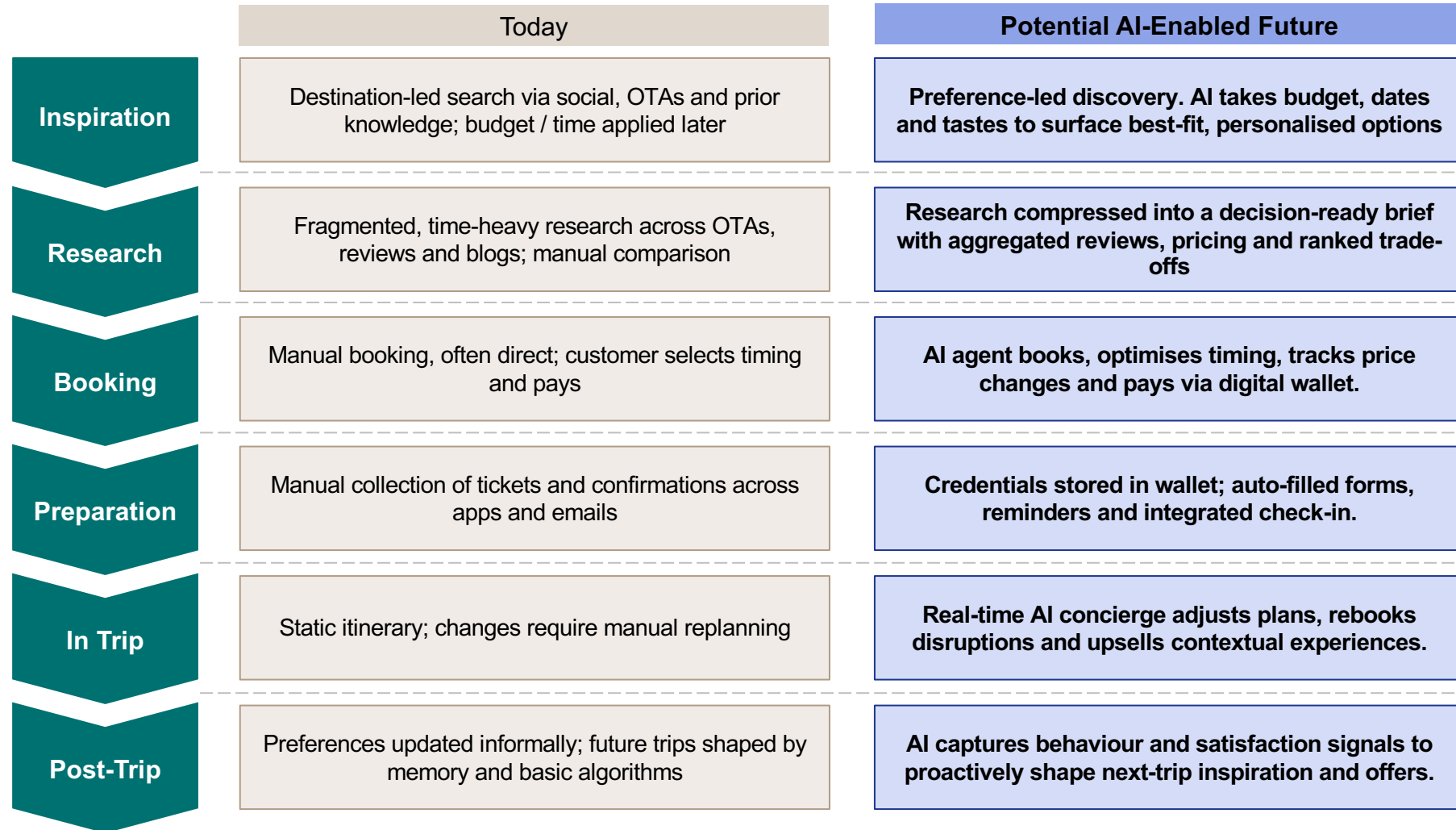
... and is already highly embedded in booking journeys today

Consumers that Use AI In Booking Journey (%)



AI is likely to more broadly reshape the overall travel customer journey, and how customers think of, expect and engage with each step

AI Impact on Travel Customer's Journey



There are several areas that all operators should be looking into, to set themselves up for success as these new AI enabled journeys arise

Winning Capabilities in an AI World

Win in Generative Discovery

Optimise content and product attribution data so AI systems surface and recommend you... moving beyond traditional SEO

Build Conversational Booking Journeys

Explore and move beyond form-based flows to AI-assisted, adaptive journeys that respond to customer preferences

Enable Agent-Ready Transactions

Provide live pricing and availability data through APIs that allow AI agents to search, compare and book seamlessly

Automate the Full Experience Loop

Use AI across inspiration, booking, in-trip support and post-trip engagement to reduce friction and increase relevance

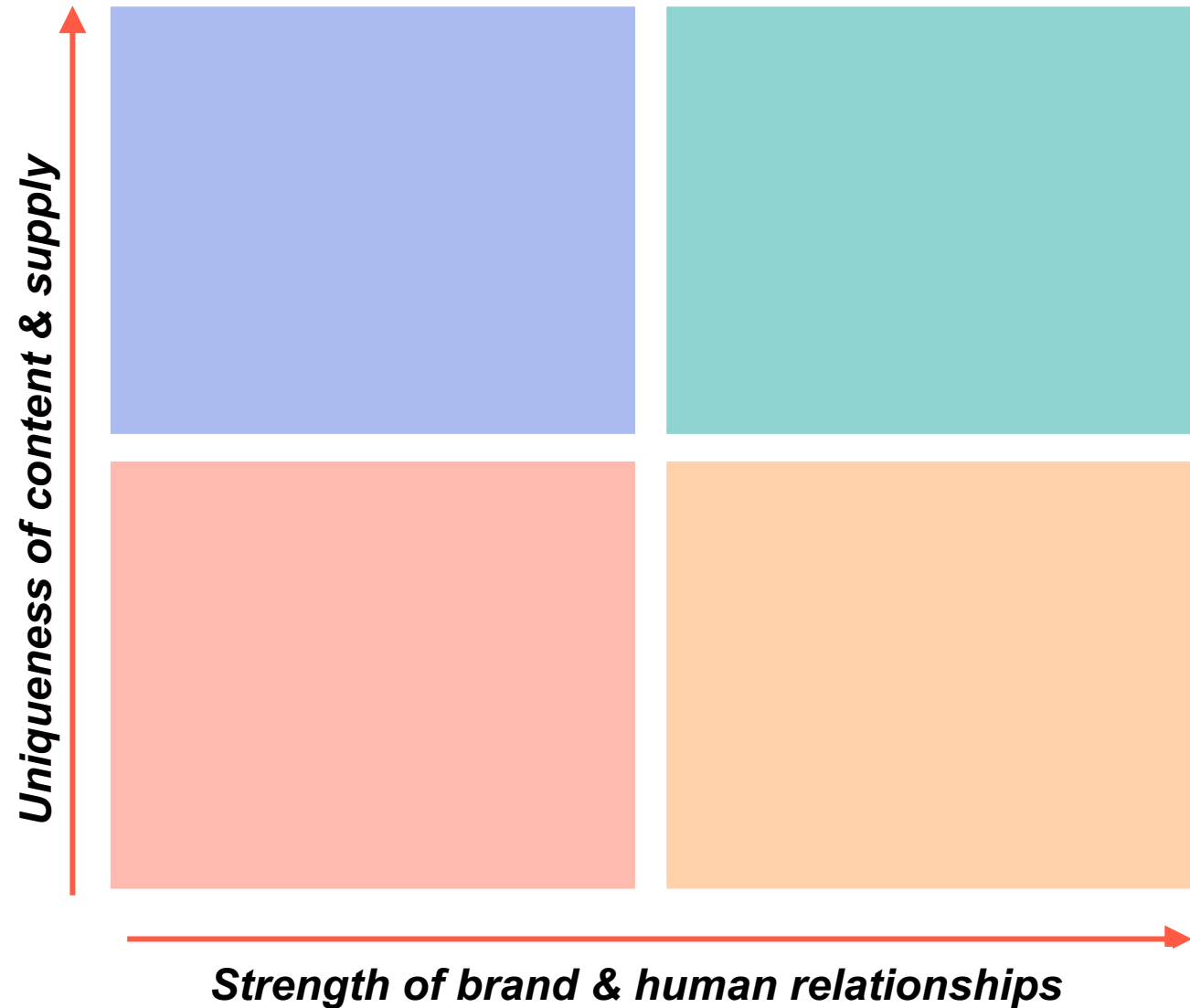
Own the Customer Data Layer

Capture and leverage customer data to personalise experiences, strengthen loyalty and reduce reliance on intermediated demand



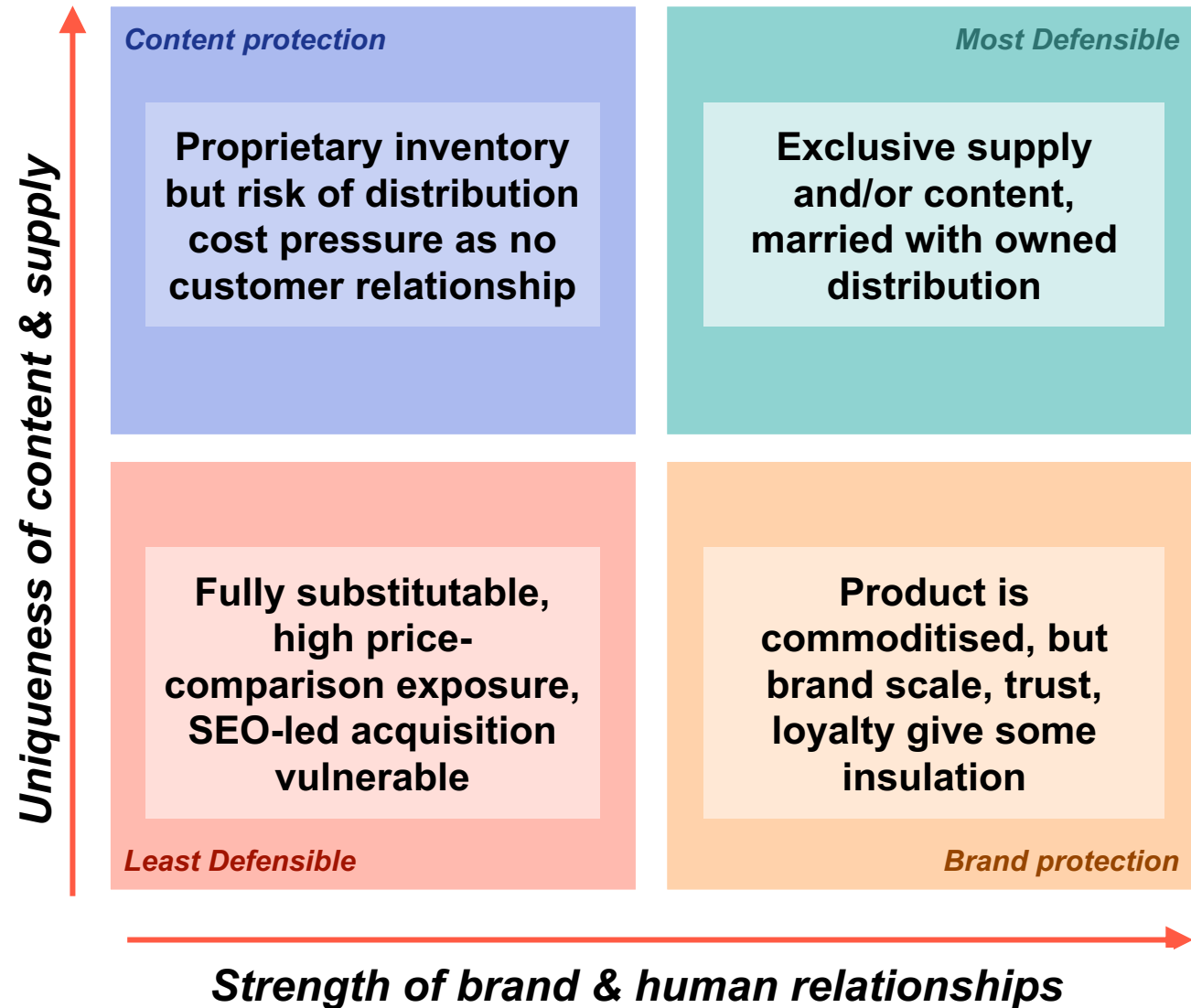
Not all travel businesses face equal AI disintermediation threat

Defensibility varies depending on uniqueness of content and brand strength



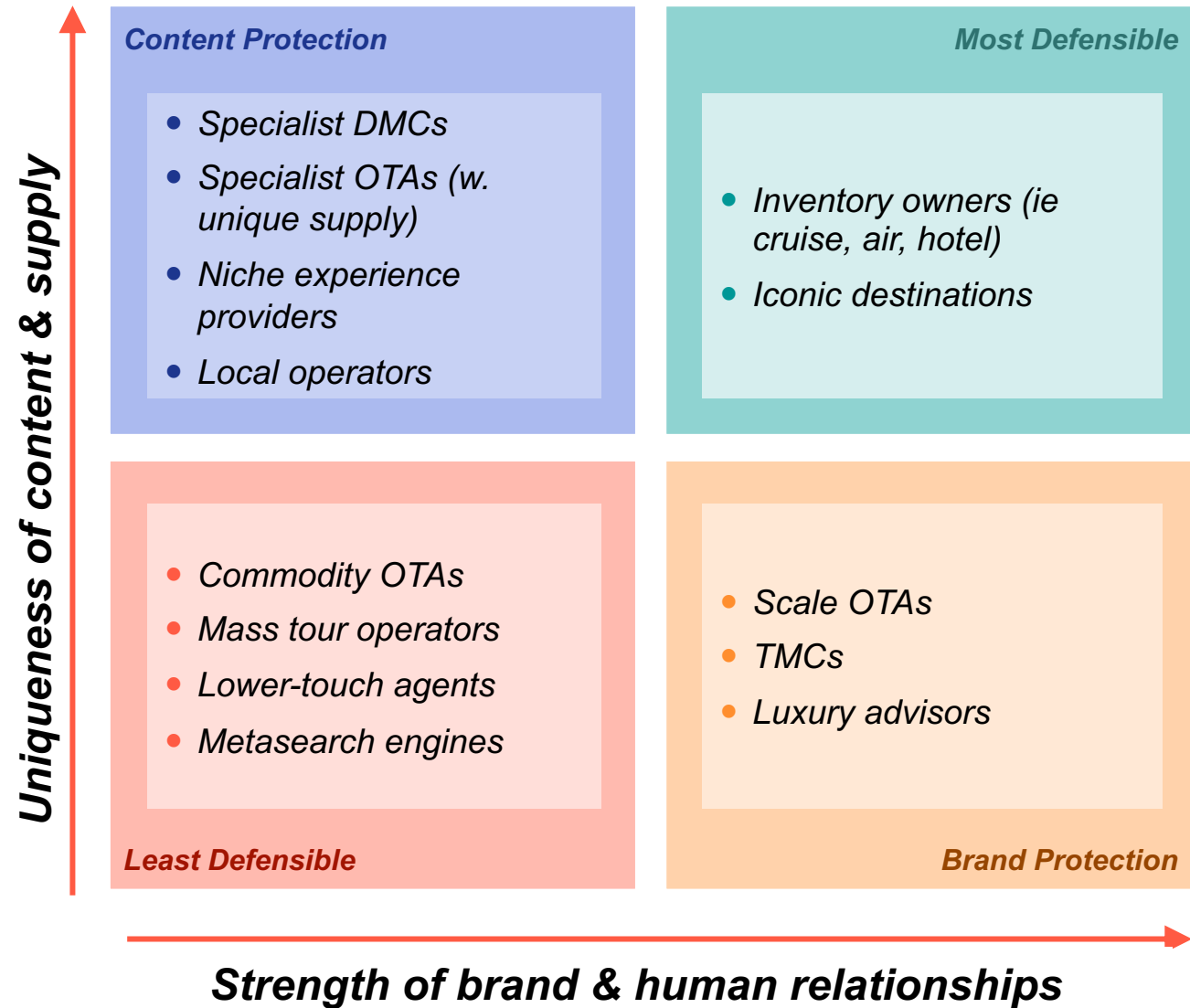
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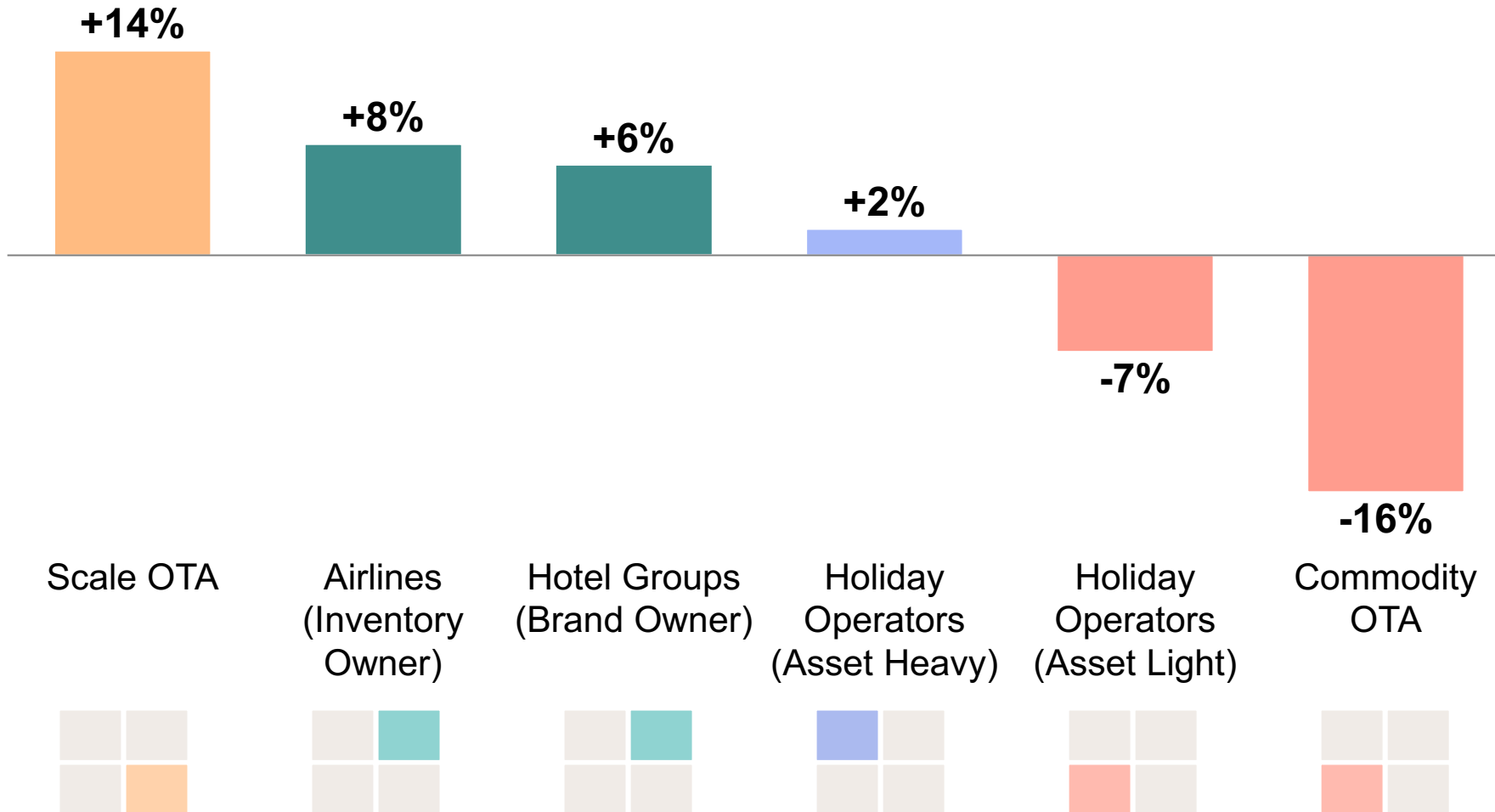
Defensibility varies depending on uniqueness of content and brand strength



This is reflected in broader market perceptions; with 'customer relationships' currently valued highly

Market Capitalization Growth CAGR, 2022-25

Selected Industries with Public Companies;
Not Exhaustive

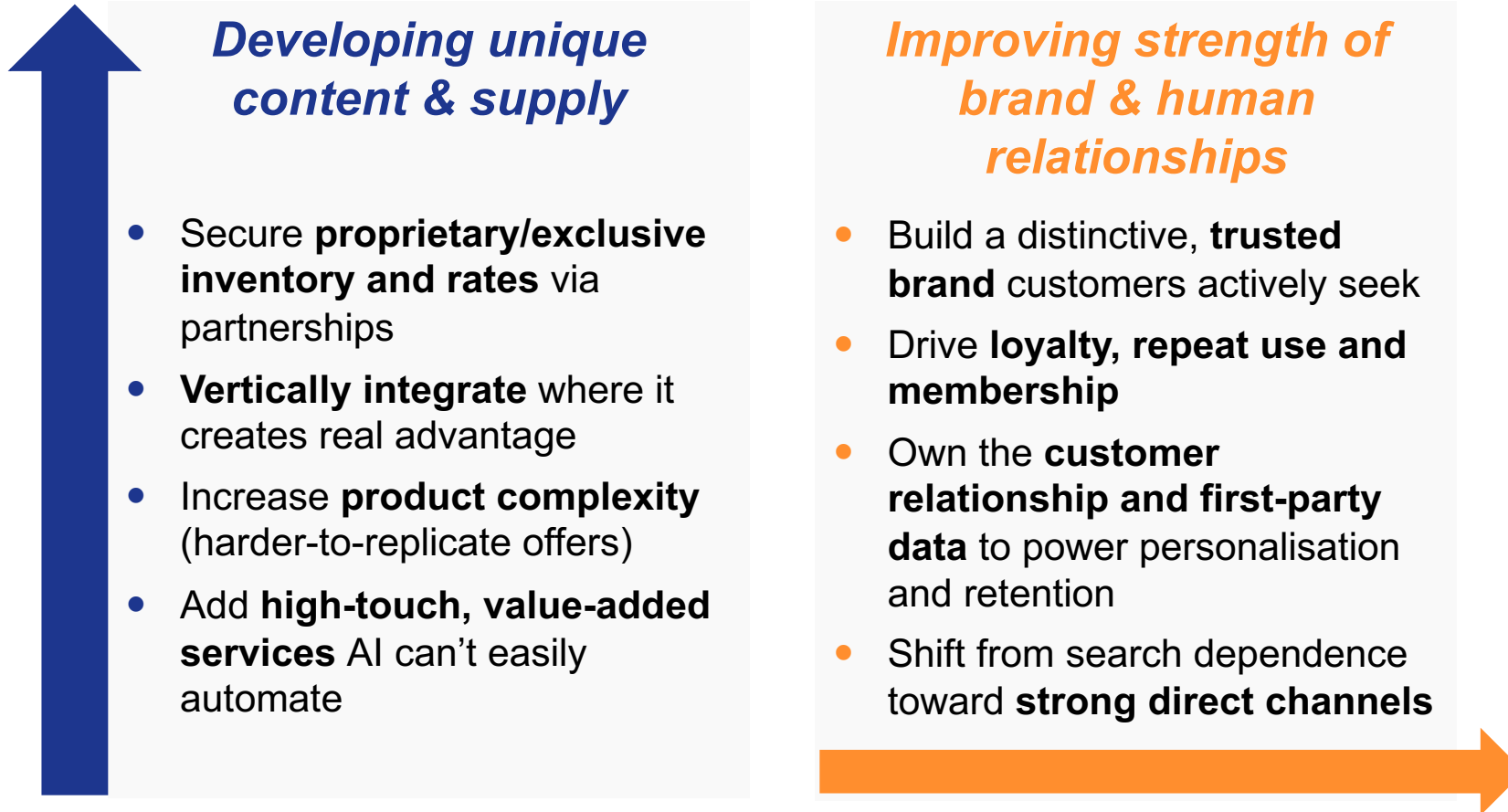


Source: CapitalIQ, OC&C analysis



Operators can actively improve defensibility by investing in brand & customer relationships, while increasing uniqueness & content complexity

Moving “Up and Right” for Operators





**Thank you...
to discuss
over breakfast**