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Guide to Next.



5 Trends Shaping the
Travel and Dining
Industries in 2025

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GUIDE TO NEXT

2025

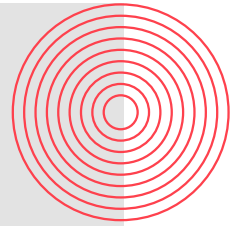


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Introduction



Welcome to the future of travel and dining, where generative AI is set to redefine the industry. Imagine booking hotels, finding dining options and planning trips through voice commands. However, this near-future reality, led by companies like Apple, poses some challenges. **As we navigate this transformation, the human element remains crucial—both for leaders tasked with driving change and for those on the front lines of implementation.**

Generative AI is already impacting travel and hospitality, as brands like Marriott Bonvoy and Alaska Airlines enhance customer experiences, and quick-service restaurants explore AI-powered service. With 54 percent of travel and dining leaders viewing generative AI as crucial for the next three years, the potential is clear.

However, outdated engineering processes hinder comprehensive AI transformation. To boost productivity by the end of 2025, organizations must rapidly adapt, overhauling structures, practices and AI literacy. Instead of relying solely on employee training, engage in AI projects at speed and scale with agile methodologies to maximize AI investments.

As Ed Vanga, head of product, travel and hospitality, notes, “Our devices will get smarter every year. Ensure your company is well positioned to adapt to personal assistant technology.” But beyond adapting to technology, the real challenge lies in maintaining a balance between technological innovation and human touch.

In this year’s Guide to Next 2025 report, Publicis Sapient experts break down the top five trends that will shape the travel and dining industries in 2025, based on C-suite research.

01 GENERATIVE AI TRANSFORMATION WILL BE SLOWED BY LEGACY PROCESSES

Generative AI is being adopted across various sectors, but travel and hospitality brands are still in the early stages. Many companies, such as Marriott Bonvoy and Alaska Airlines, are using AI tools like trip planners to enhance customer experiences. Quick-service restaurants are also exploring AI for customer service, such as AI-powered drive-thru systems. However, as AI becomes more integral, the challenge for leaders is not just in adopting the technology but in leading their teams through the transformation.

Travel and dining leaders are particularly enthusiastic, with 54 percent considering generative AI “extremely important” for the next three years, compared to an average of 41 percent across all industries. In 2025, brands aim to utilize generative AI not just for isolated use cases like marketing content or chatbots but for broader transformation. While 38 percent of travel and dining leaders are achieving initial goals in 2024, only 11 percent are using custom AI tools with their own data.

This shift isn't due to a lack of prioritization. The top priority for travel and dining leaders in 2025 is moving from specific use cases to using AI for overall productivity. The main obstacle is legacy engineering processes. To boost productivity, organizations need to transition from incremental AI changes to rapid adaptation, requiring a shift in organizational structure, engineering practices and AI literacy.



01

Travel and hospitality leaders cite a lack of internal AI talent and literacy as the primary barrier. Organizations often attempt to address this through training, but the rapid evolution of AI makes this ineffective. The most efficient way to build AI talent is through engaging



in AI projects at speed and scale using an agile methodology. By accelerating decision-making and streamlining workflows, businesses can maximize their AI investment and unlock its transformative potential.

"COMPANIES ARE *increasingly adopting basic AI applications* LIKE CONTENT GENERATION AND SEO OPTIMIZATION. IT MIGHT CHECK THE BOX WHEN INVESTORS ASK A QUESTION, OR WHEN THE BOARD ASKS A QUESTION LIKE, 'WHAT ARE YOU DOING ABOUT THIS AI THING?' HOWEVER, THESE SURFACE-LEVEL IMPLEMENTATIONS OFTEN FALL SHORT OF REALIZING AI'S FULL POTENTIAL."

Ed Vanga *Head of Product, Travel & Hospitality*



02 AI VOICE ASSISTANTS WILL BECOME A CORE PART OF TRAVEL AND DINING BOOKING

Imagine a future where your personal assistant can book a hotel in Vegas based on your preferences and schedule with a simple voice command. According to Apple, Siri will be able to take action in and across apps by 2025. This future of conversational AI will revolutionize how consumers interact with travel and dining services, but it also presents a challenge for leaders: How to integrate these technologies without losing the human touch that defines hospitality.

"I'M IN MY KITCHEN TALKING TO MY WIFE. SHE ASKS, 'WHEN ARE YOU TRAVELING NEXT?' I SAY, 'OCTOBER.' SHE ASKS, 'WHERE ARE YOU STAYING?' I REALIZE I FORGOT TO BOOK A HOTEL. I SAY, 'HEY SIRI, BOOK ME A HOTEL IN VEGAS FROM OCTOBER 8-10 FOR A WORK TRIP.' THIS FUTURE OF CONVERSATIONAL AI WILL *revolutionize* HOW CONSUMERS INTERACT WITH TRAVEL AND DINING SERVICES,"
says Ed Vanga.



The AI personal assistant is no longer a distant dream but a rapidly approaching reality. These tools are set to become indispensable, handling tasks like booking restaurant reservations, ordering McDonald's or researching Airbnbs with ease and precision.

02 After productivity, the second goal for AI transformation in travel and hospitality is increasing customer satisfaction, with AI integration playing a key role. Leaders must ensure that their teams are equipped to work alongside these technologies, maintaining a focus on delivering exceptional, personalized experiences rather than purely transactional services.

This shift will redefine the relationship between consumers and brands. By understanding and anticipating customer needs, AI-driven personal assistants, like Apple Intelligence, will reduce reliance on traditional booking platforms, empowering individuals to create highly customized experiences. Consequently, the travel and dining industries must adapt, focusing on delivering exceptional experiences rather than transactional services. However, only 26 percent of travel and hospitality leaders prioritize process optimization in their technology modernization efforts.

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Staying ahead of competitors will require using process optimization, such as agile methodologies, to get to market faster.

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Ed Vanga *Head of Product, Travel & Hospitality*

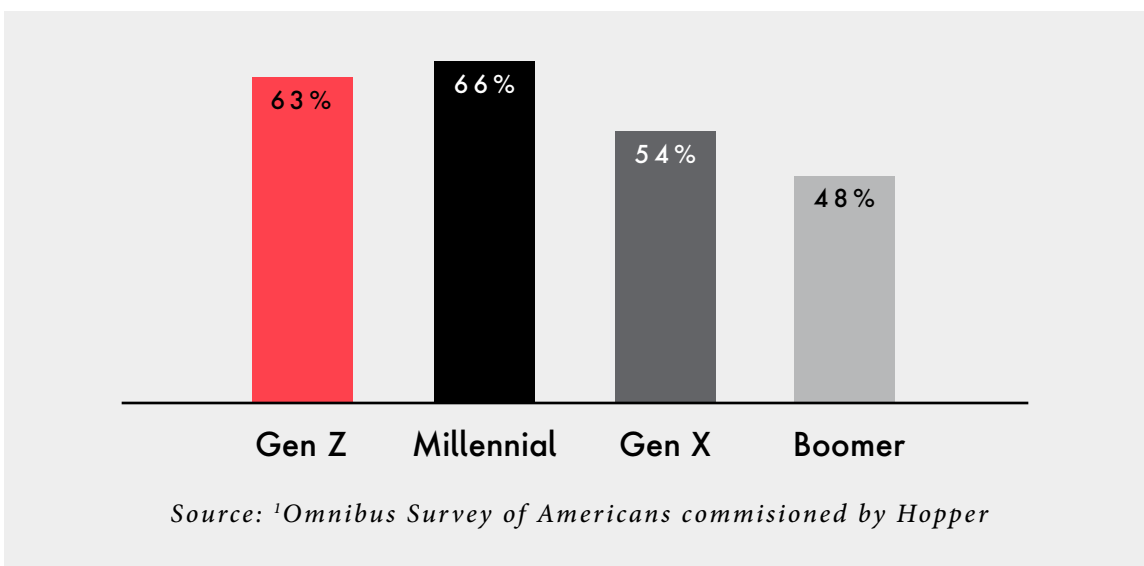


03 GEN Z'S SPONTANEOUS, BUDGET-FRIENDLY TRAVEL IS RESHAPING LOYALTY

Unlike previous generations, Gen Z prioritizes experiences over possessions, making travel a cornerstone of their lifestyle. Despite recent economic pressures, they continue to travel and are expected to do so through 2025. For travel and hospitality leaders, brand loyalty is the top priority in customer engagement this year, presenting a prime opportunity to target this new generation of travelers and future brand loyalists.

However, unlike their predecessors who meticulously planned trips months in advance, Gen Z travelers often choose last-minute adventures. This behavior is driven by a combination of factors. For leaders, the challenge is not just in capturing this market, but in understanding the unique needs and motivations of Gen Z and designing offerings that resonate with their values.

Percent of Americans that purchased travel in the past 12 months¹



Firstly, the digital age has equipped them with the tools to book travel arrangements quickly and easily. Platforms like Airbnb and travel aggregators offer flexible options, allowing for spontaneous trips.

03

Secondly, financial constraints often necessitate more flexible travel plans. To maximize their budgets, Gen Z travelers frequently pool resources with friends, taking advantage of group discounts and shared accommodations.

Finally, living through the COVID-19 era has given this generation a sense of spontaneity, as the possibility of borders shutting down and travel being paused is much more real.

“There’s a strong drive among Gen Z and late millennials to seek out authentic experiences through travel. They crave new foods, explore diverse places and cultures and embrace different ways of thinking. This generation, the pioneers of the digital nomad lifestyle, is constantly looking for ways to make travel a regular part of their lives—while doing so affordably,” says JF Grossen, global vice president of customer experience.

This mentality highlights the importance of travel for Gen Z, as it is integrated into their lifestyle rather than being a luxury for special occasions. Interestingly, only 18 percent of travel and hospitality leaders consider customer acquisition rate a top metric for measuring growth.

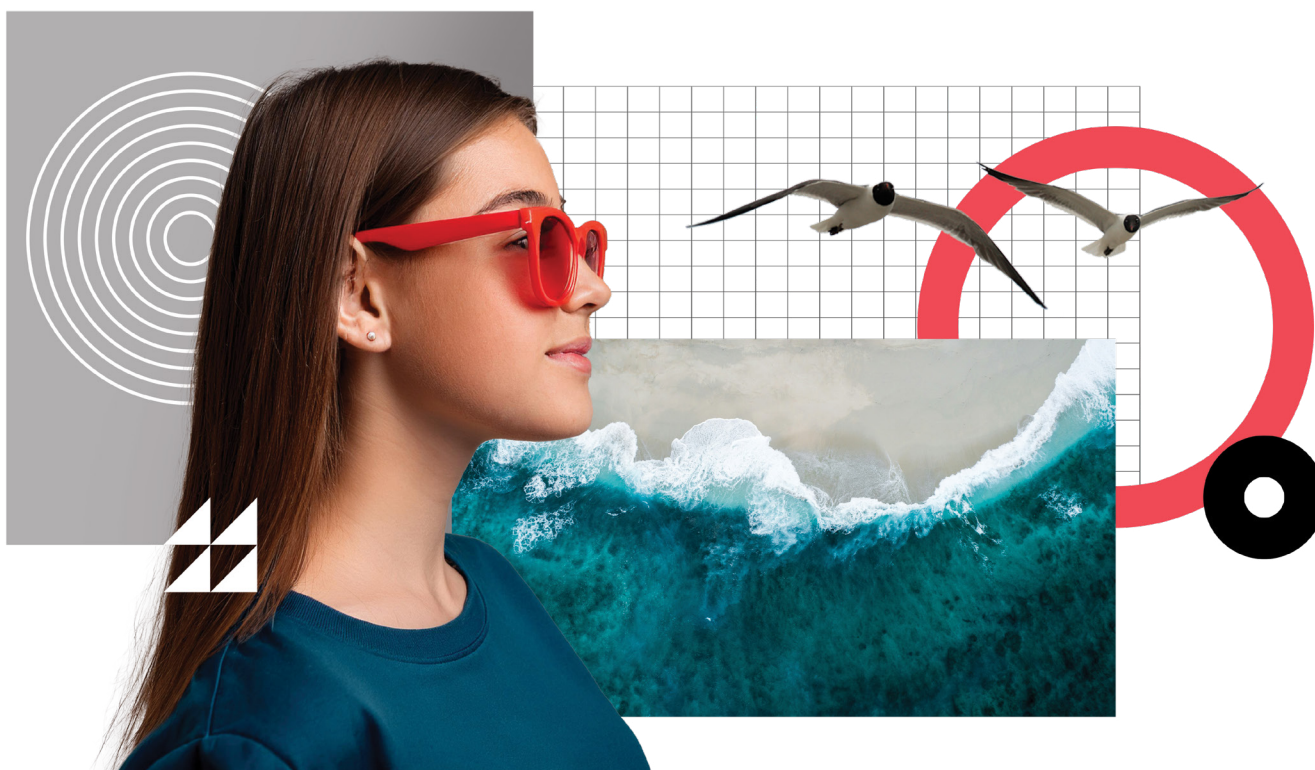
INTERESTINGLY, ONLY 18 PERCENT OF TRAVEL AND HOSPITALITY LEADERS CONSIDER CUSTOMER ACQUISITION RATE A TOP METRIC FOR MEASURING GROWTH.

Given Gen Z’s propensity for adventure, travel and dining brands must adapt their strategies to attract them. Offering last-minute deals and packages can appeal to spontaneous travelers. Emphasizing social experiences and opportunities for group bookings can resonate with Gen Z’s desire to share adventures with friends.

Additionally, understanding Gen Z’s financial realities is crucial. Creating flexible payment options and budget-friendly packages can make travel more accessible. Collaborations with financial technology companies can also help brands tap into this market.

03 For example, a travel company could offer spontaneous weekend getaways with discounted group rates, paired with a flexible payment plan through a partnership with a fintech company. Similarly, a dining brand could introduce exclusive pop-up events that offer unique culinary experiences at budget-friendly prices, making it easy for Gen Z to explore new flavors with friends without breaking the bank.

By adapting to these preferences, brands can build strong connections with this dynamic and influential generation.



04 DIGITAL IDENTITY WILL UNLOCK PERSONALIZED GUEST EXPERIENCES

The travel and dining guest journey is also undergoing a dramatic shift, driven by the rise of digital identity (ID). As digital IDs become as common as physical ones, consumers can expect smoother, more secure experiences through “destination loyalty” programs.

The [U.K.'s upcoming digital identity bill](#) signals this broader trend. When combined with loyalty programs, digital identities offer personalized rewards. Consumers gain control over their data through self-sovereign identity, enhancing trust and security. However, implementing these systems requires a deep understanding of customer concerns and a commitment to transparency and ethical data use.



“IMAGINE A WORLD WHERE EVERY TRIP YOU TAKE LEAVES A VERIFIED DIGITAL FOOTPRINT, OWNED BY YOU. THIS RECORD CAN BE INSTANTLY SHARED WITH TRUSTED BRANDS, *revolutionizing* HOW WE TRAVEL AND INTERACT WITH BUSINESSES.”

Nick Shay, Group Vice President, Travel & Hospitality,
International Markets

For leaders, the challenge is not just in adopting this technology, but in ensuring that it enhances rather than detracts from the customer experience. Investing in digital identity technology is essential, but it must be done in a way that respects customer privacy and builds trust.

04

For businesses, digital identity means access to higher-quality data, enabling tailored offerings and improved customer experiences. It's going to remove artificial barriers for companies to enter the loyalty space. In the same way anyone can set up an e-shop cheaply and quickly these days, any business that has an idea and decides to participate can do so quite easily. This should encourage more innovation in the industry.

However, frictionless customer journeys are currently the lowest priority for customer growth for travel and hospitality leaders, with only 12 percent ranking it as a top priority. Brands must invest in this technology to participate in the digital identity trust network, moving from a belief that they can invest in their own customer data programs to participating in the trust network and meeting consumers on their terms.

WHILE BUSINESSES MUST INVEST IN TECHNOLOGY, THE REWARDS ARE SUBSTANTIAL. BY EMBRACING DIGITAL IDENTITY, COMPANIES CAN CREATE MORE SEAMLESS AND SATISFYING CUSTOMER JOURNEYS.

This transformation will reduce friction in the travel and dining process, from airport check-ins to restaurant reservations. While businesses must invest in technology, the rewards are substantial. By embracing digital identity, companies can create more seamless and satisfying customer journeys.

05 DATA BREACHES AND AI VULNERABILITIES NECESSITATE A DIVERSIFIED SECURITY STRATEGY

Data security will be a growing concern for travel and dining brands in 2025, especially within the airline industry. High-profile incidents like the CrowdStrike breach highlight the vulnerabilities even in trusted systems. To safeguard against these threats, companies must adopt robust security measures and diversify their technology stack.

However, it's likely that in 2025, travel and dining brands will experience another major data breach or technological failure due to the integration of large language models (LLMs). In fact, 87 percent of travel and hospitality leaders say that risk and security concerns have already been a barrier to generative AI efforts. Leaders must not only implement diversified security strategies but also foster a culture of vigilance and continuous learning among their teams.

Thus, traditional reliance on a single cloud provider, such as Azure, AWS or Google Cloud, is no longer sufficient. Embracing a multicloud strategy ensures continuity if one platform fails. Despite the benefits, many organizations still concentrate their trust in a few dominant technologies, making them prime targets for attacks. More than half of travel and hospitality leaders (52 percent) say their organizations have only completed one basic or initial implementation, and/or have cloud integration challenges.

The widespread use of LLMs from major players like OpenAI increases risks. These systems face constant threats from malicious actors aiming to exploit vulnerabilities. Companies must diversify their technological portfolios, incorporating a variety of AI models and platforms to mitigate these risks.

A broad approach to AI and cloud services is essential for future data security. Spreading risk and avoiding overdependence on any single provider can protect operations and customer data. In an evolving threat landscape, diversification is not just a strategy but a necessity for robust data security.

LOOKING AHEAD TO 2025

There's a reason why AI dominates the majority of industry conversations, and next year won't be any different. AI is supercharging not just the guest experience but society as a whole, propelling it into a period of unprecedented change. In the year ahead and beyond, brands must embrace innovation or risk being left behind. However, the true challenge lies in ensuring that this innovation serves human needs rather than overshadowing them.

What does the future of AI look like? The ability to rapidly prototype and develop functional applications through AI coding is on the horizon, promising to revolutionize the way airlines, hotels and restaurants operate. While this technology may not be fully mature yet, its potential impact is undeniable.

As business leaders explore new and innovative approaches to engage travelers and diners, AI-driven development will likely become a cornerstone of their strategies, enabling faster time to market for new ideas and experiences.

However, **2025 should be the year of the human**, with a focus on reassuring employees of their value and integrating AI as a partner and collaborator. Externally, companies should use AI to bring people closer together, fostering inclusivity and collaboration.



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