

E-book

# DECODING ONLINE SHOPPING: TRAVEL & HOSPITALITY CONSUMER TRENDS FOR 2025

# INTRODUCTION

Travel and hospitality is a huge industry estimated at 955.90 billion USD in 2025, with the hotels market accounting for nearly half of that. Once an industry dominated by travel agents, online bookings are now projected to account for 75% of all revenue by 2029. Travelers are increasingly relying on digital resources, such as travel guides, mobile apps, and streamlined booking platforms to fuel their wanderlust and plan their next adventure.

But booking travel online can be equal parts exciting and exhausting. The experience is often clouded by concerns about expectations versus reality, unclear cancellation policies, and the

pressure to find the best deal. “Will the hotel match the photos I see online?” “What if my trip gets canceled?” “Is this the best deal I can get?” How do travel brands break through all that noise and deliver a better experience?

It starts with understanding today's travel consumer. In this report we will discuss industry insights, tailored to travel and hospitality brands including where consumers get inspiration for new travel plans, what leads them to abandon their cart or book, what types of AI tools can make the online experience easier, and more.

**Let's get started.**

# INSPIRATION

In this first section, we're exploring the influences during the early stages of the online booking journey by learning where customers begin searching for travel options and what they believe sets one digital experience apart from another. This helps us understand what draws a customer in, and what it takes to keep that attention.

To begin, let's look at where people start searching for travel options online.

A majority of respondents, 54%, start on a search engine such as Google or Bing. This means when most consumers start researching options, your travel brand is vying for attention alongside your competitors. A strong SEO and SEA strategy is essential to ensure your offer is featured prominently in search results to grab their attention early. From there, crafting compelling landing pages can be the key to capturing curiosity and bringing customers to your site.

The next most popular answer for respondents was on an aggregated travel site. Platforms like Booking.com, Hotels.com, Kayak, and others allow consumers to compare key details between travel options such

as price, customer rating, amenities, and other relevant information all from one location.

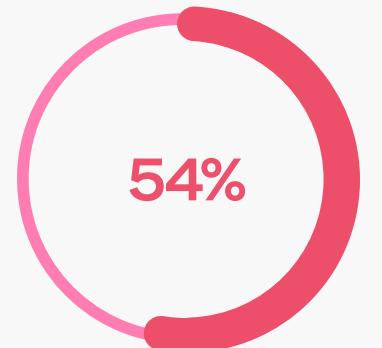
This is a win for aggregated sites, as they simplify decision-making and provide a seamless booking experience. But for individual travel brands this presents a challenge: **how do you convince travelers to book directly on your site instead?**

To compete, brands need to offer compelling incentives, such as exclusive discounts for direct bookings, loyalty program benefits, or an enhanced digital experience (i.e. more detailed property descriptions, high-quality photos, and flexible cancellation policies.)

Booking directly with a preferred brand was chosen by less than one-third of respondents. Travel e-commerce is a highly competitive industry. Airlines don't serve every destination, and a traveler's favorite hotel brand won't always be available in every city. That means brands must find new ways to capture customer interest and create a seamless, value-driven booking experience whether that's through personalization, targeted offers, or a superior user experience that keeps travelers coming back.

## How do you start searching for travel options?

### Overall Answers



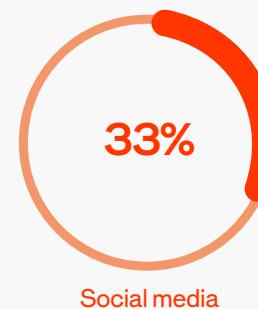
On a search engine  
(Google, Bing, etc)



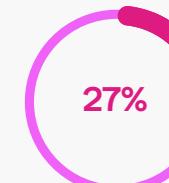
On an aggregated travel  
site like Booking.com



Google flights/hotels



Social media



Directly on the site of  
your preferred brand



Influencer posts



Travel media

Looking at answers globally, social media is only slightly more popular than directly on the site of a preferred brand. But Gen Z breaks from the pack, ranking social media as their second most popular answer behind Google flights/hotels. On page 6 we'll break down how each generation differs in where they start searching for travel options.

# INSPIRATION

Personalization plays a major role in the early stages of the online shopping journey as customers expect brands to tailor their experiences when they have a history together. This is especially important for travel brands. We just learned that less than one-third of shoppers are starting their journey with their favorite brands, so when you do have their attention how can you dazzle them with a better experience?

With this in mind, we asked survey participants what would make their experience more personal when booking travel online.

**The most popular answer by far was knowing my preference such as room type, seat, booking class, etc.** This is information you can gather from first-party data, when a customer is providing you with the information themselves often through a customer account. Tailoring the journey to automatically select their preferred room or seat is a small way to leverage personalization for a better experience.

When it comes to suggesting products/services they are interested in, consumers are

split on where they prefer to see recommendations. The second most popular answer was suggesting products I'm interested in, while the second least popular answer was emailing me with relevant products/services. This suggests that travelers prefer real-time, in-platform recommendations, such as adding services during checkout, rather than follow-up emails about missed opportunities.

However, regional differences matter. In Italy and France, respondents ranked recommendations, whether emailed or otherwise, as their top personalization preference. This highlights the need for brands to tailor their approach by market rather than applying a one-size-fits-all strategy.

Travel brands have an opportunity to build stronger relationships with customers through smart personalization. By leveraging first-party data, offering real-time recommendations, and adjusting strategies based on regional preferences, brands can create a seamless and engaging booking experience that keeps travelers coming back.

## What would make your experience more personal when booking travel online?

### Overall Answers

- 1 Knowing my preferences
- 2 Suggesting products/services I'm interested in
- 3 Notification for availability
- 4 Knowing my loyalty status
- 5 Using my name
- 6 Sending emails exclusively with relevant products/services
- 7 Sending emails with lifestyle content I'm interested in

# INSPIRATION

In our 2024 consumer insights report, we found that 90% of consumers compare one or more products when shopping online. This means it is important to recognize that you won't always have your shopper's undivided attention. In order to keep them engaged on your site, understanding what aspects of the experience are the most important to them is essential to standing out against the competition.

When we asked consumers what factors influence their travel booking decisions, **high-quality reviews ranked as the most important factor globally**. Potential customers rely on the “social proof” of reviews and testimonials when booking travel online to ensure authenticity. No one wants to arrive at their hotel only to find the glamorous photos they saw online were taken 20 years ago. Authentic reviews provide reassurance and help travelers feel confident in their decisions.

However, reviews aren't the only factor being considered by consumers. **Cancellation policy ranked second worldwide, reflecting ongoing concerns about flexibility**. During the COVID-19 pandemic, many brands relaxed their policies, and while some

have since tightened restrictions, the expectation for hassle-free cancellations remains. Brands that offer flexibility can gain a competitive edge by easing travelers' uncertainty.

Behind reviews and cancellation policy, good customer service ranks third. Consumers expect a smooth process when booking travel accommodations online where problems can be resolved quickly. On page 11 we'll talk about the role of chatbots and other AI virtual assistants in the e-commerce travel industry.

Interestingly, earning loyalty points ranked second to last. Unlike general e-commerce shoppers who prioritize brand loyalty, travelers tend to be less consistent with their preferred brands. This presents both an opportunity to attract frequent flyers and a challenge as brands must work harder to keep them engaged.

Reviews and recommendations influence travel consumers. Leverage A/B testing to determine the ideal placement of customer reviews on a product detail page, or to learn where in the journey recommendations can make the biggest impact.

## When booking travel online, what aspects of your experience are the most important?

### Overall Answers

**1** High-quality reviews

**2** Cancellation policy

**3** Good customer service

**4** Relevant recommendations

**5** Brand name

**6** Lifestyle content

**7** Website/native app ease of use

**8** Earning loyalty points

**9** Interactive gallery/virtual walkthrough

# INSPIRATION GENERATIONAL DEEP DIVE

## How do you discover new products/ inspiration?

### GEN Z

Google flights/hotels

52%

Social media

50%

On a search engine

49%

On an aggregated travel site

41%

Influencer post

30%

Directly on the site of your favorite brand

20%

Travel media

11%

### MILLENNIALS

On a search engine

56%

On an aggregated travel site

50%

Google flights/hotels

48%

Social media

40%

Directly on the site of your favorite brand

23%

Influencer post

21%

Travel media

12%

How do you start searching for travel options? Gen Z says Google flights/hotels and social media are their go-to spots. Search engines are still the third most popular answer but this shows a

dramatic shift from other generations and indicates that social media will continue to be a brand battleground with high numbers in both social media ads and influencer posts

### GEN X

On a search engine

54%

On an aggregated travel site

51%

Google flights/hotels

42%

Directly on the site of your favorite brand

32%

Social media

25%

Travel media

10%

Influencer post

9%

### BABY BOOMERS

On a search engine

60%

On an aggregated travel site

53%

Directly on the site of your favorite brand

40%

Google flights/hotels

31%

Social media

15%

Travel media

8%

Influencer post

1%

# CONVERSION

Now that you have their attention, what does it take to drive visitors to finally book travel?

Shopping for travel online means weighing multiple factors, but not all carry the same weight. Shoppers are clear on their priorities and, while location has a big sway, there's still a strong appetite for a great experience. Here is what drives customers to conversion.

When we asked consumers, "What influences you the most to book accommodations and transportation options online?", the answer was clear: **location reigns supreme**. Globally, location proximity to key destinations scored as the most influential factor, demonstrating that convenience drives decision-making.

Close behind are services and amenities followed by discounts, showing that while comfort and price matter, being in the right place trumps all. Interestingly, the cost of travel amenities isn't the top priority for consumers—a unique contrast to other industries where securing the best deal often takes precedence. This highlights how travelers value convenience and experience over purely budget-driven choices.

Loyalty programs, on the other hand,

scored the lowest globally, suggesting they carry little weight when it comes to initial booking decisions. **Even in the US, where loyalty programs tend to be more popular, they ranked last.** This indicates that while loyalty programs may encourage repeat business, they don't play a significant role in attracting first-time bookings.

Regional differences reinforce the universal appeal of location. In the US and UK, location ranks highest. Australians agree, giving location its strongest score among all regions surveyed. Meanwhile, while growing in significance, environmental impact remains one of the least influential factors globally, particularly in the US.

Generational preferences echo these findings. Baby Boomers place the strongest emphasis on location, followed by discounts, showcasing a practicality-driven approach. Gen Z and Millennials also prioritize location but with a heavier reliance on reviews and amenities to guide their choices.

**Best Practice** Lead with location. Showcase nearby attractions, proximity to must-visit sites, and accessibility in your listings to capture consumer attention. Pair this with authentic reviews to build trust and credibility, particularly for regions and generations where peer validation is key.

**When browsing travel options online, what influences you the most to book accommodations and transportation options (e.g., flights, rental cars)?**

Overall Answers

- 1 Location (proximity to destination)
- 2 Services, amenities
- 3 Discounts
- 4 Reviews
- 5 Cancellation policy
- 6 Packages
- 7 Popularity
- 8 Images, videos
- 9 Environmental impact
- 10 Loyalty program

# CONVERSION

Cart abandonment is a persistent problem for travel brands. Whether it's hesitation, friction at checkout, or other barriers, understanding what leads a customer to leave without making a purchase can help identify areas of improvement.

We asked consumers what are the biggest factors influencing them to leave a website without purchasing/booking what's in their cart. The top answer, by a narrow margin at 41%, **was that consumers are simply not ready to buy.** It's a common problem in travel e-commerce, where shoppers are comparing flights or hotels or are waiting for the right time to buy. Campaigns, like retargeting emails or in-site nudges, like countdowns, can help create a sense of urgency or bring these undecided travelers back when they're ready.

**The second answer at 33% of respondents was their type of payment method was not accepted.** For travel brands, this is a sign that expanding payment options is worth the investment. Especially when considering the cost of travel, options for installment payments can help lessen the

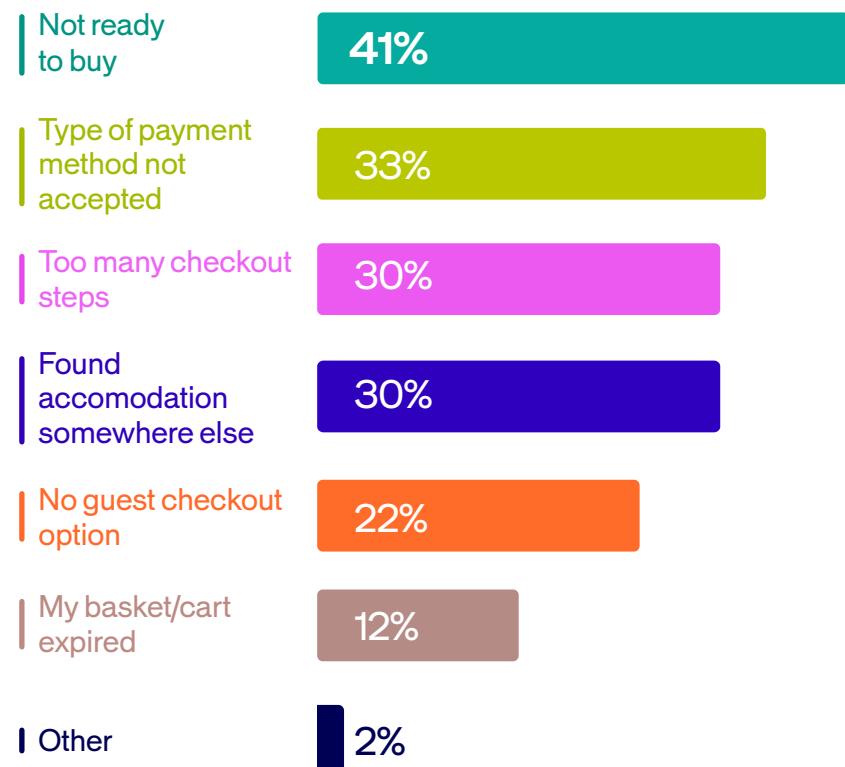
blow of a higher price tag. Offering different types of payment methods such as Apple Pay, Google Pay, Amex, or expanding international cards accepted at checkout can help make the process smoother and reduce unnecessary friction.

Globally, respondents are split on the top answer. The US, UK, and Australia all selected not ready to buy while Italy picked payment method not being accepted. France's top answers were a tie: payment method not being accepted and too many steps had the exact same pull, with not ready to buy just behind in third. It's a good reminder that personalization is important as what might work for one region isn't guaranteed to work for another.



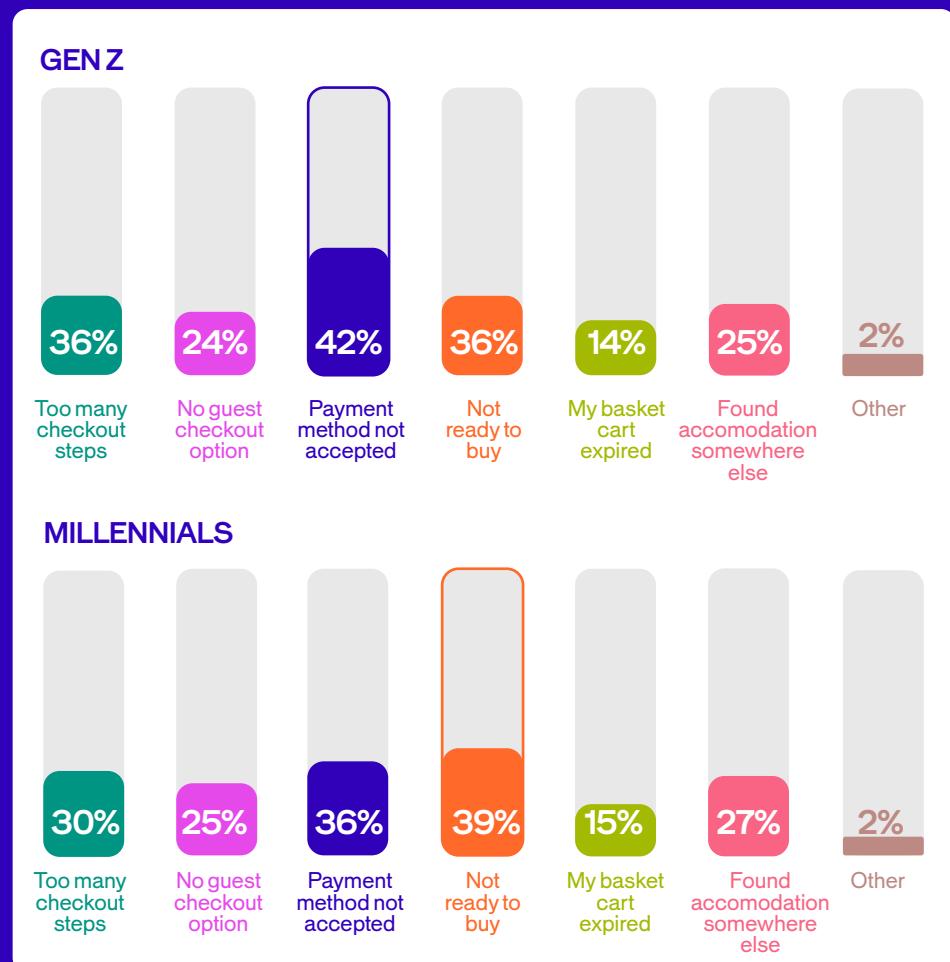
## What is the biggest factor(s) influencing you to leave a website without purchasing/booking travel accommodations in your cart?

### Overall Answers



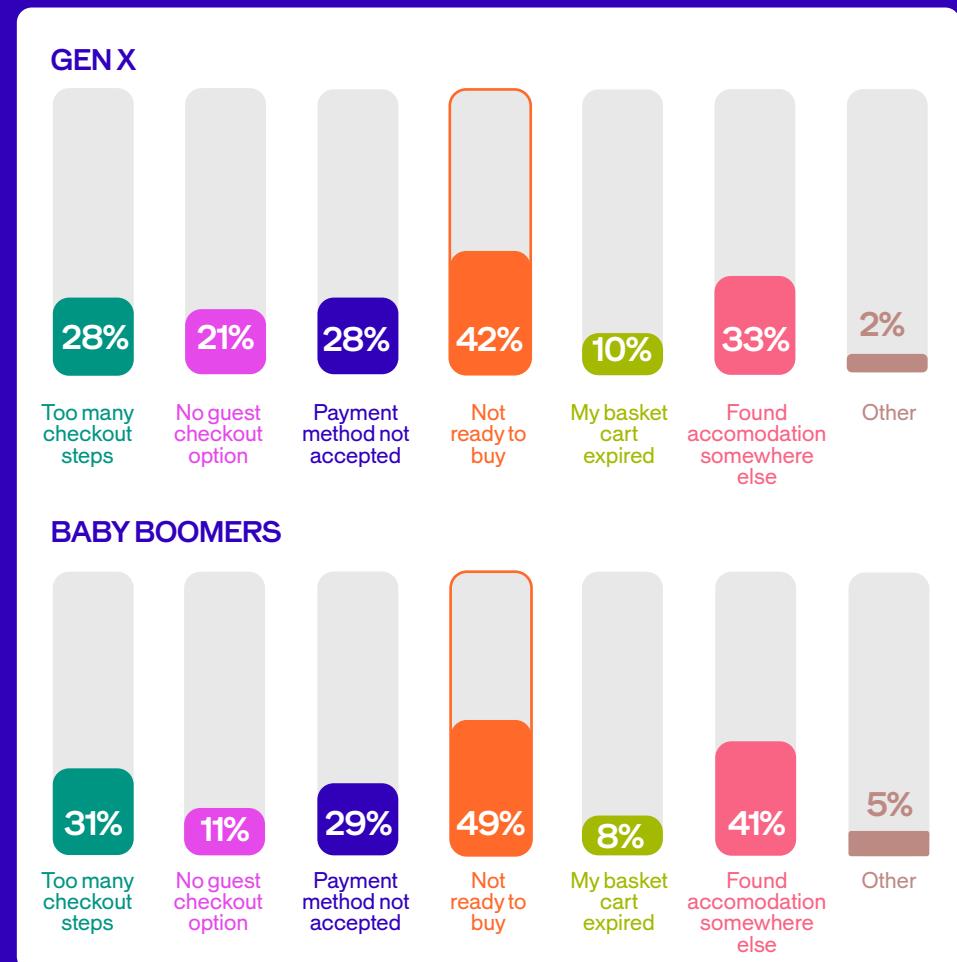
# CONVERSION GENERATIONAL DEEP DIVE

What is the biggest factor(s) influencing you to leave a website without purchasing the items in your cart?



Globally, the top two reasons for abandoning a cart are not ready to buy and type of payment not accepted. But when we look at how each generation responded, the actual breakdown of percentages differs enough that it's worth taking a closer look at what matters most to each generation at checkout. These insights can help travel brands

adjust their checkout experience and payment options to better align with the preferences of different age groups.



# RETENTION

Personalization isn't just a perk, it's an expectation. Consumers anticipate seamless, tailored digital experiences, and the travel industry is no exception. When done right, personalization enhances convenience, builds loyalty, and ultimately drives conversions. But do travelers recognize its value?

When we asked travelers, "When booking travel online, is it important that the company knows who you are and your history with the company?", the results were telling. While 56% of respondents said yes, finding this extra context helpful, a significant **36% felt indifferent**, leaving room for doubt about how well the value of personalization is communicated. Meanwhile, 7% outright dismissed it, suggesting personalization isn't universally seen as a game-changer.

This mixed response raises questions. Do travelers fully understand how personalization improves their experience? Or is the messaging around its benefits falling short? It's clear that while personalization resonates with a majority, there's a sizable group that remains **unconvinced—or simply doesn't care.**

Regional differences reveal interesting contrasts in attitudes toward personalization. In the US, enthusiasm is clear, with 70% of respondents finding value in companies using their data

to enhance interactions—the highest across all regions. In contrast, Australia and France show more mixed feelings, with indifference rising to 40% and 42%, respectively. Australians also emerge as the most likely to reject personalization entirely, with 11% saying no.

Generationally, the demand for tailored experiences is driven by younger audiences. Gen Z leads the charge, with 65% embracing data-driven personalization as a helpful tool, while Millennials follow closely at 60%. Baby Boomers, however, remain more skeptical—only **45% see the value in personalization**, and 13% actively dismiss it as unnecessary, the highest rate of rejection across age groups.

These insights highlight that while personalization resonates strongly with younger and US audiences, there's still room for improvement in engaging indifferent and skeptical segments. For these groups, the benefits of personalization might feel unclear or unnecessary. To bridge this gap, brands need to communicate the practical advantages more effectively—like saving time, simplifying choices, or offering exclusive perks. By showing how personalization enhances the travel experience without complicating it, companies can turn hesitation into confidence and expand its appeal.

**When booking travel online, is it important that the company knows who you are and your history with the company (past purchases, buying patterns, support calls and more)?**

Overall Answers



## Best Practice

Show, don't tell. Use personalization to simplify the booking process and highlight its benefits, such as faster checkouts or tailored recommendations. For more hesitant demographics like Baby Boomers, transparency is key—clearly communicate how their data enhances their experience without compromising trust.

# RETENTION

The rise of AI has disrupted industries across the board, and travel is no exception. Yet, this is a sector where human interaction has long been the norm. From personalized recommendations to resolving issues, travelers are accustomed to speaking with a person. As some brands embrace AI-powered tools and chatbots for customer support, the question arises: is this shift to automation the right move?

When we asked travelers, “Have you ever used AI-powered tools, chatbots, or virtual assistants to book travel or solve issues?”, the verdict was mixed. **Globally, 36% found them helpful, while another 32% haven’t tried them yet but are open to it.** However, 18% reported unhelpful experiences, and 15% are uninterested in AI entirely.

Regional insights reveal differing levels of engagement. In the US, nearly half (45%) found AI tools helpful, while only 8% said they used them but didn’t find them useful. Australia shows the highest level of disinterest, with 23% saying they have no interest in AI, and only 29% finding it useful—the lowest positive

response rate globally. Meanwhile, France and Italy show higher levels of trial but mixed results, with 30% and 27% of respondents, respectively, saying they used AI but didn’t find it helpful.

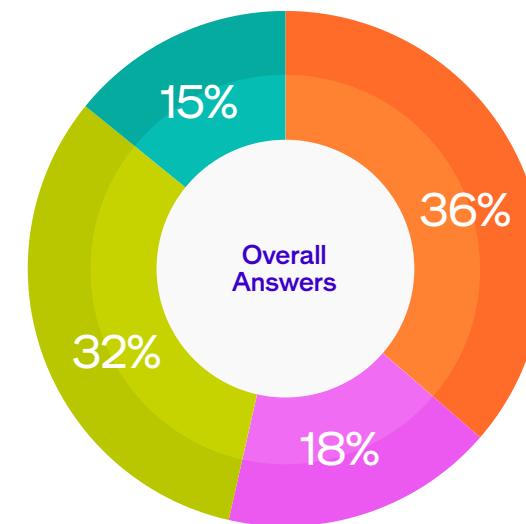
Younger generations are leading the charge. Gen Z is the most enthusiastic, with nearly half (49%) embracing AI’s benefits and just 7% uninterested. Millennials aren’t far behind (41%), but Baby Boomers remain the toughest crowd, with a significant 32% uninterested and 21% finding AI helpful.

These findings suggest that while AI tools are making strides, there’s still work to be done in building trust and delivering consistent value, particularly among older and more skeptical demographics.

## Best Practice

Focus on making AI interactions feel natural, efficient, and genuinely helpful. Set clear expectations about what AI can and can’t do, and ensure human support is easily accessible when needed. To win over hesitant users, highlight success stories that showcase AI as a seamless, time-saving tool rather than a replacement for human service.

**Have you ever used AI-powered tools, chatbots, or virtual assistants to help plan/book travel or solve travel-related issues? How helpful did you find these tools?**



- Yes, and it was helpful
- No, but I would try it
- Yes, but it wasn't helpful
- No, and I'm not interested

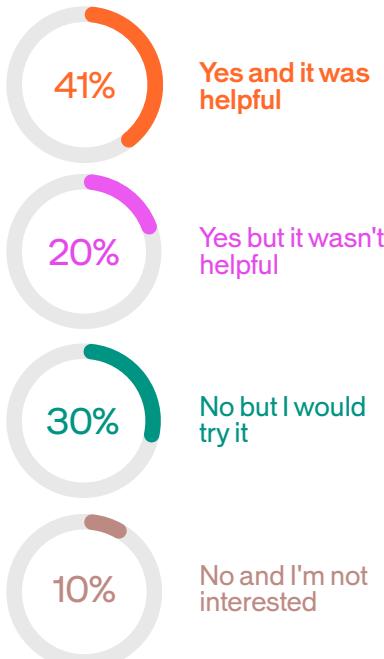
# RETENTION A GENERATION DEEP DIVE

**Have you ever used AI-powered tools, chatbots, or virtual assistants to help plan/book travel or solve travel-related issues? How helpful did you find these tools?**

## GEN Z



## MILLENNIALS



AI-powered tools are revolutionizing customer service in every industry, and travel is no exception. But how do generations really feel about relying on AI, whether for trip planning, booking, or resolving issues during their journey?

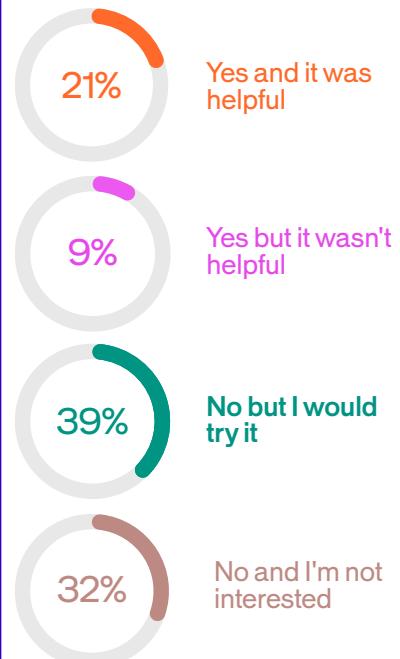
Perhaps not surprisingly, the tech-savvy consumers of Gen Z are the most open to AI, with 70% of

## GEN X



respondents having used an AI tool during the travel process. However, less than half of the respondents found it helpful. As for the other generations, interest wavers. Interestingly, nearly 40% of Baby Boomers haven't used AI but are open to it. It's easy to write off older generations as tech-wary but this opens up an opportunity for leveraging useful tools.

## BABY BOOMERS



# CONCLUSION

The e-commerce travel and hospitality industry is rapidly evolving, with consumer expectations growing higher every day. To succeed, brands must do more than offer services—they need to deliver seamless, personalized shopping experiences that address key concerns like cancellation policies, reviews, and customer support. Insights from this report can help brands understand what drives travelers to book, what causes hesitation, and how to build trust in a digital-first landscape.

A critical part of this strategy is experimentation. By testing different

approaches—such as personalized trip recommendations, dynamic product pages, and streamlined checkout flows—brands can uncover what truly resonates with their audience and how to best boost conversions.

Experience optimization, powered by data and experimentation and driven by personalization, isn't just a competitive edge; it's the foundation for building trust and loyalty. Now is the time to embrace innovation and refine the traveler's journey to stand out in the fast-moving world of online travel and hospitality.

## Takeaways

- 1 Optimize product pages for better visibility on Google
- 2 Leverage AI to provide instant answers, streamline asks, and assist travelers in real time
- 3 Retarget hesitant travelers who abandon a booking, they might just need an extra nudge
- 4 Let high-quality reviews shine on key pages to build trust and reduce uncertainty
- 5 Make cancellation policies clear and accessible for added reassurance
- 5 Personalize with relevant trip recommendations for a more curated experience

# ME THODO LOGY

For this report, we surveyed 2,000 online shoppers spread evenly across the US, UK, France, Italy, and Australia.

To create a pool of regular online shoppers, we asked the qualifying question “Have you booked or reserved travel online in the last 3 months? (such as hotel accommodations, car rentals, airfare, etc)”. Those who answered yes continued with the survey while those who responded with no exited. This continued until we reached our cap at 2,000

respondents.

The survey was conducted using Pollfish, a trusted market research provider. Respondents were not provided with cash compensation in exchange for their answers.

For additional information regarding the demographics of the survey participants or details about the questions, please reach out at [marketing@abtasty.com](mailto:marketing@abtasty.com) with the subject line “Decoding Online Shopping: Travel 2025”.





### About AB Tasty

At AB Tasty, we're your partner for pushing great ideas even further through optimization. We achieve this by empowering brands to build better experiences using personalization, experimentation, recommendations, merchandising, and the market's only emotions-based segmentation solution. Our all-in-one platform offers web and API solutions for a unified approach to creating seamless experiences. We are a trusted partner in optimization and innovation to over 1,000 brands including Kering, McDonald's, Ulta Beauty, L'Oréal, Disneyland Paris, LVMH, and many others. Our global team of experts is what sets us apart with an unmatched customer-first mindset embedded into company culture.

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