



# Beyond the Hype: The Rise of AI-Aided Trip Planning

What travelers think about the new technology shows travel providers how to invest for long-term success

Q3 2024



## Paradise Shores

Exceptional

9.9

Paradise Shores offers the ultimate beachfront escape. Overwater bungalows stretch into the crystal-clear turquoise sea, providing the perfect backdrop for a day of unwinding in paradise. Whether you're snorkeling in vibrant coral reefs or simply soaking in the breathtaking views from your sunbed, this idyllic retreat promises an unforgettable experience of pure bliss.

Show prices



## Isla Serene Resort

Exceptional

9.9

Isla Serene Resort invites you to escape to a hidden paradise, nestled on a secluded island. Experience ultimate relaxation with our exclusive spa, bask in the tranquility of two infinity pools overlooking the ocean, and delight in gourmet cuisine at our five-star restaurant, where island-inspired dishes are served throughout the day.

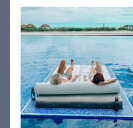
Show prices



## Ocean C

Perched over the crystal-clear turquoise water, Ocean C offers a vibrant coral reef and a crescent-shaped beach. The resort features a five-star restaurant and natural beauty.

Show prices



## Guna Lagoon Resort

Exceptional

9.6

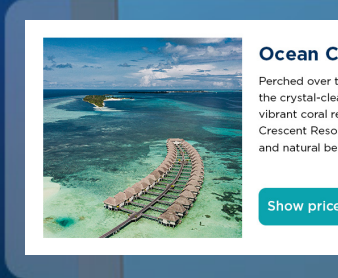
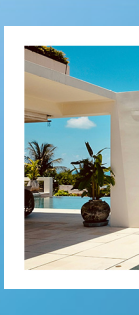
Guna Lagoon Resort offers an unparalleled retreat with a luxurious array of amenities, including a full-service spa, unwind in one of our two serene lounge pools, and savor the flavors of our five-star restaurant, where bahamian-inspired cuisine is crafted fresh throughout the day.

Show prices

What type of vacation are you looking for?

White sand beaches with nearby excursions

Generate



# AI for travel is here.

## How eager are travelers?

Whether you have your finger on the pulse of all things tech or not, there is no escaping the term “generative AI” today. Although there is a lot of promise around what this technology can do, a significant percentage of consumers don’t fully understand what it is and how it works.

**At *arrivia*, we wanted to get a clearer picture of how AI is understood and perceived by today’s travel consumers.** How do consumers use it or envision using it? What are their fears or concerns? Are their opinions about AI’s role in travel planning consistent across all generations and income brackets?

Between July 15 and 17, 2024, we asked 1,087 U.S. consumers aged 18 and up about their opinions and preferences regarding the use of AI in travel. The survey was conducted online, and the responses were weighted to the U.S. population through ten demographic questions.

Overall, while consumers are excited about the potential of AI in travel to help them save money and plan their trips, adoption remains in its infancy. Additionally, concerns around privacy and a perceived lack of transparency loom large in some consumers’ minds. For travel brands that can assuage these fears and demonstrate the real-world value of their AI applications, there is a significant potential consumer market for AI-driven travel planning.



“AI in travel holds promise, but brands must address privacy concerns and prove its value to unlock widespread adoption.”



## Who is using AI for travel planning, and how often?

According to our survey, 33% of the population has used AI for trip planning and **46% of consumers said they are extremely, very or somewhat interested in doing so**, signaling a palpable yet untapped market.

Of that 33%, one-tenth consider themselves frequent users of AI for travel, while just over half have used AI tools to plan or book a trip “a few times.”

Gen Z leads this segment at 63%, signaling that they are the most promising “return customers” of AI. While the youngest cohort we polled is less likely to use AI ‘frequently’ than their older Millennial cousins, 40% of those Gen Zs who have not used AI tools for travel are extremely or very interested in trying them out, compared to 24% of millennials.

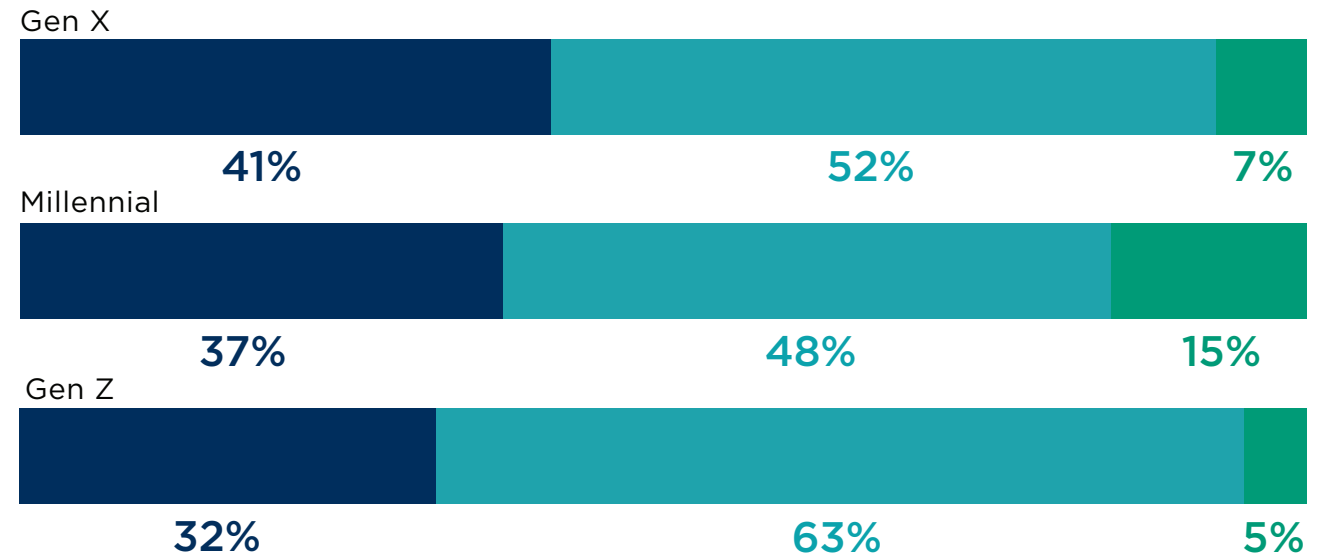
How do we explain this? It’s evident that within the Millennial segment, early adopters are driving up the usage of these tools. Yet, this could also be a sign of how seamless AI travel tools are integrated into booking experiences. Millennials, who have more experience with pre-AI booking interfaces, might be better able to identify when it’s in play versus Gen Z, who grew up alongside these technologies.



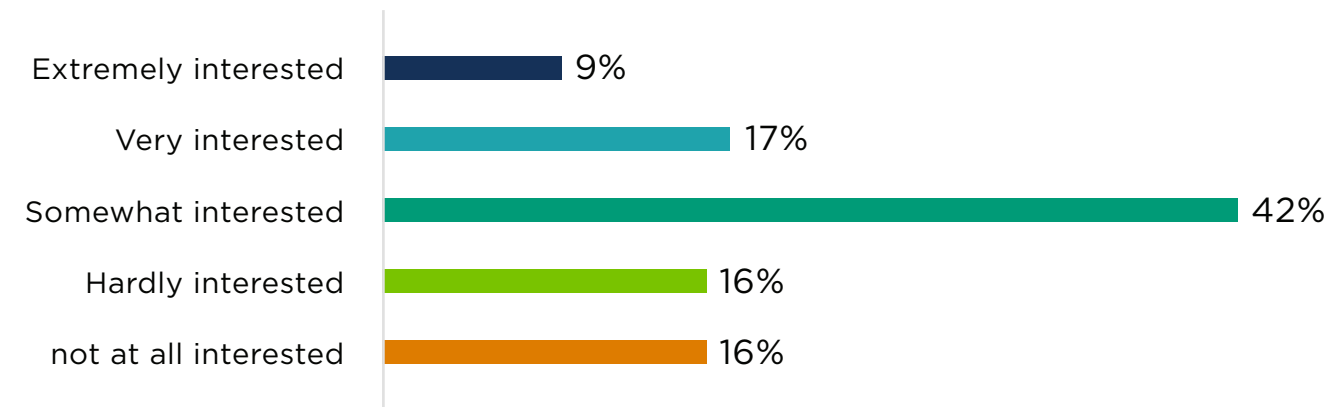
*We asked consumers...*

## If you have used AI tools to plan or book a trip, how often have you used them?

Once    A few times    Frequently



## If not, how interested are you?



## Why consumers use AI for travel planning

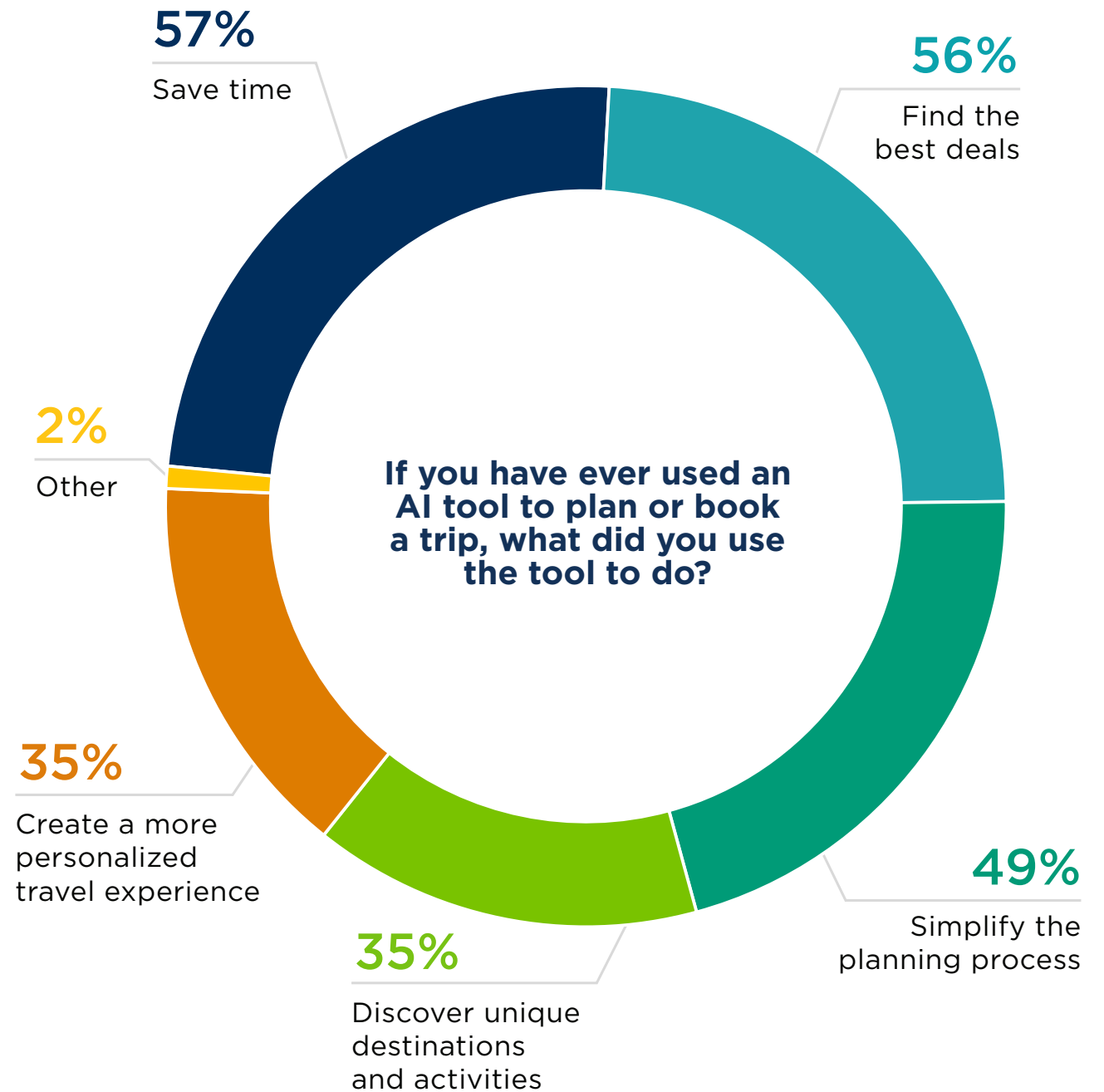
Consumers turning to AI tools to plan or book a trip are after these two things: value and convenience. **They want to use AI to find the best deals (56%), save time (57%) and simplify the planning process (49%).**

Better deals and discounts are the top reasons why consumers across all income categories we polled would switch from traditional trip-planning methods to AI-based tools. There are, however, some slight generational differences that speak to what different groups value in their lives overall and in the trip-planning process.

Gen Z and Millennials are more interested in the power of AI to help them save time compared to Gen X and Boomers, while Gen Z is significantly less likely to use AI to find better deals and discounts than other generations. However, as Gen Z ages and the generation is faced with more financial responsibilities, their interest in AI to save money will likely climb as they seek to balance their budget.



*We asked consumers...*



## Personalization and AI: Opportunities for Loyalty Providers

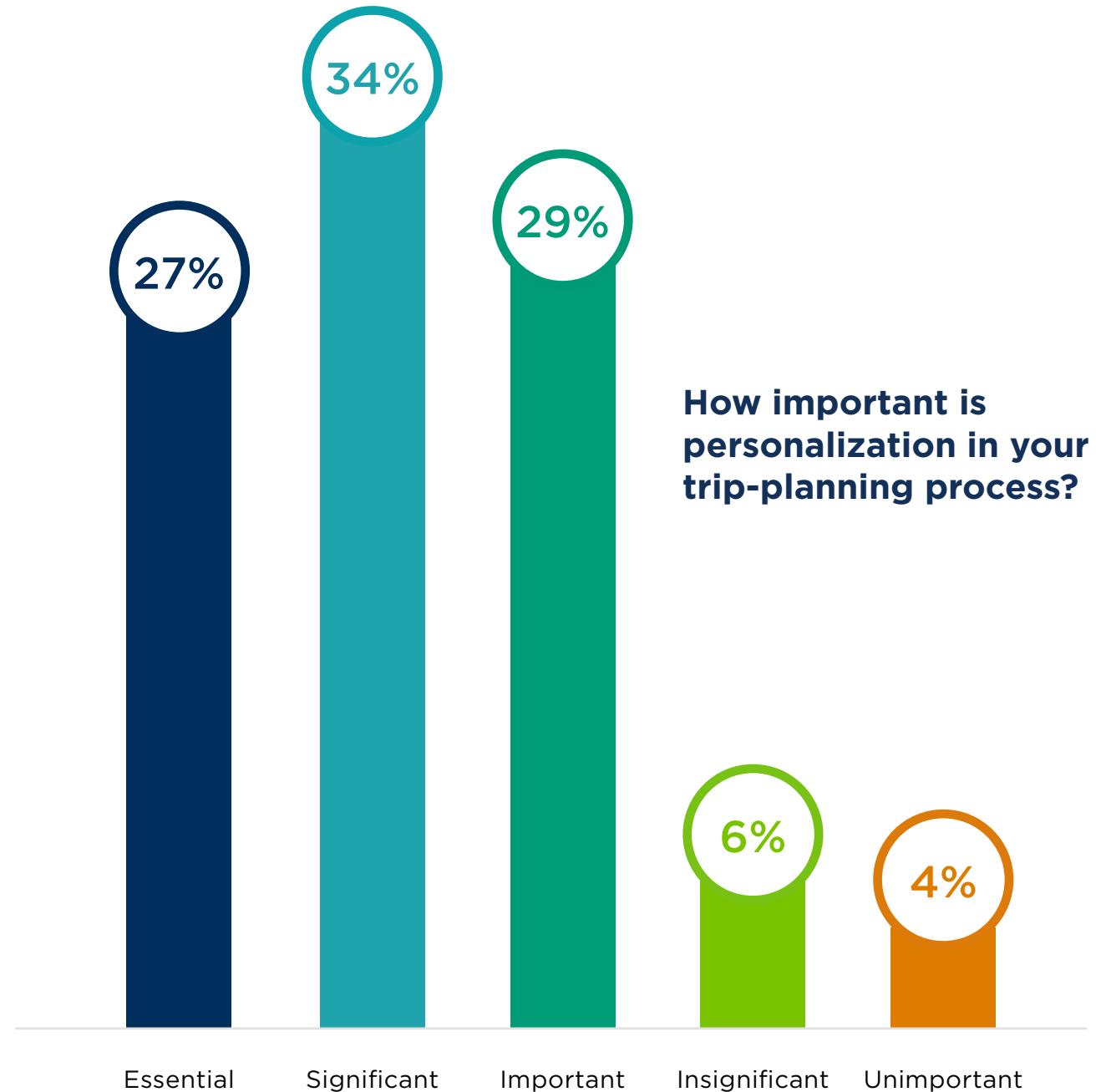
While early adopters of AI in trip planning prioritize personalized travel experiences less than other users, personalized recommendations still rank among the top two features valued by consumers. Additionally, 90% of consumers value personalization in the trip-planning process, with its importance increasing among younger travelers.

Why the disconnect? **According to 49% of early adopters, AI trip planning tools could be improved to provide more accurate and personalized recommendations.** This could indicate that current capabilities fail to meet their expectations, but once the tech catches up, it's a feature they will find useful.

This is where loyalty travel rewards programs can shine. Being member-based programs, they can better leverage customer-supplied data, purchasing patterns and activity history to create AI models that deliver bespoke recommendations that more accurately cater to individual preferences on everything from itineraries to targeted offers. This affords them an opportunity to engage their members in a way that non-loyalty travel booking platforms cannot.

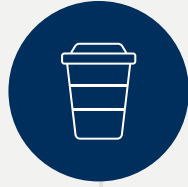


*We asked consumers...*



# Loyalty AI Trailblazers

These three companies are leaders in using AI to enhance the member experience of their loyalty programs. By leveraging the technology's personalization capabilities, they're building better brand affinity and encouraging long-term customer engagement. Here's why they're innovative.



**STARBUCKS®**

## What:

Built a proprietary AI platform called Deep Brew that analyzes customer data and preferences to tailor customers' experiences on the company's loyalty app, Starbucks Rewards, including customized menu recommendations and targeted offers and rewards. This AI-backed strategy helped Starbucks grow its loyalty program to a record 34.3 million active U.S. members in the first quarter of 2024. Rewards members also visited cafes more frequently and spent more per visit in that same time frame than ever before.



 **Marriott**

## What:

Began testing an AI search tool in March that uses natural language processing to help Marriott Bonvoy members find their ideal vacation rental on the company's 'Homes & Villas' portal. Instead of choosing a destination and applying a series of filters to find accommodation that best meets their needs, they could ask the AI tool to find them "a dog-friendly two-bedroom condo in Portugal that's less than a mile from the beach with parking and a chef's kitchen." This type of search allows customers to focus on the experiences they are most passionate about and their must-have amenities, enabling them to discover new destinations they otherwise would have potentially overlooked.



 **DELTA**

## What:

Leverages AI algorithms to analyze customer data and enhance its SkyMiles loyalty program through personalized offers and rewards. Delta also uses AI to predict customer behavior, which means it can create targeted offers at the right time to prevent members from switching to another airline. Finally, the airline introduced AI-powered chatbots to provide real-time assistance to SkyMiles members, drastically reducing customer service wait times and increasing member satisfaction.

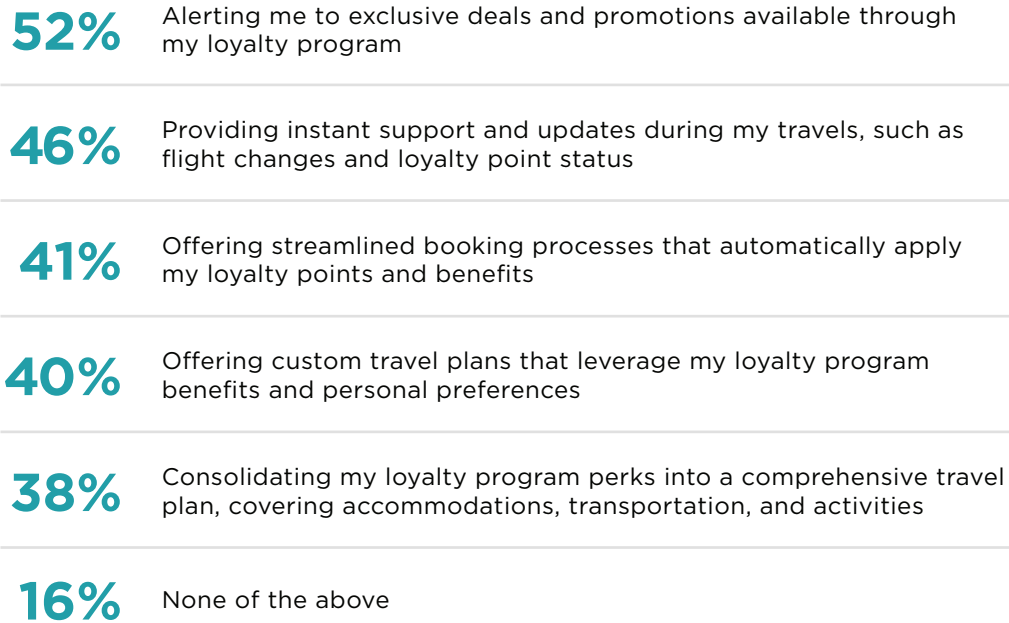
## AI & Travel Loyalty: what members want

While travel loyalty members have similar wants to non-members when using AI to plan and book travel, loyalty providers should look for ways to integrate points redemption into their AI models to help close the value gap many travel loyalty programs struggle with.

By using AI to help members get the most out of their points, loyalty providers will have a powerful engagement tool at their disposal.



### How do you think AI travel planning tools could enhance your experience with travel loyalty programs?

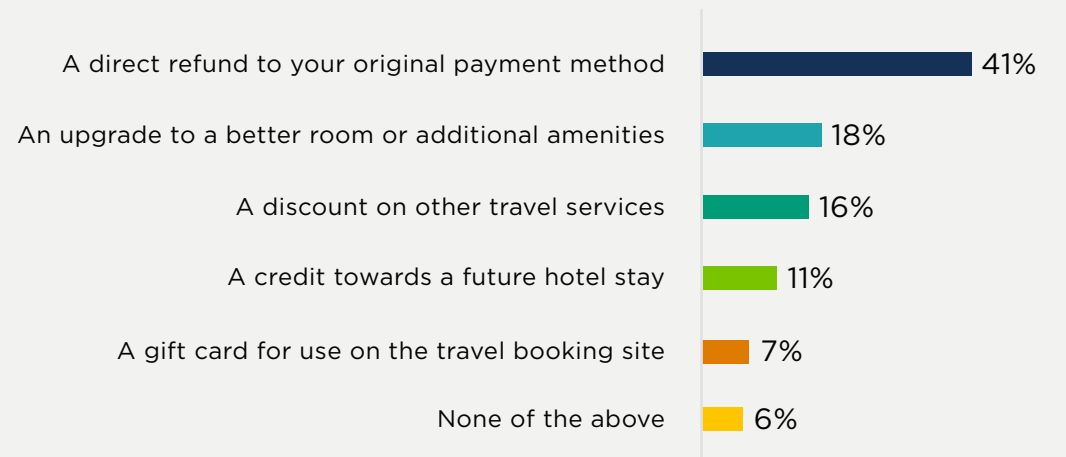


## AI Tools: price alerts

Over 50% of consumers would be extremely or very interested in post-booking AI-generated price alerts, such as price drops on a hotel via their loyalty program booking portals. Loyalty members have different views on how they would like to receive those rebates. While cash refunds to their original payment method are preferred overall (41%), discounts on other travel services are a more popular option within the Gen Z cohort, indicating that this younger generation has different priorities than older ones.

Loyalty providers should see this as an opportunity to test how rebates from price alerts can be used to automate the upselling of additional travel services using AI to recommend personalized add-ons.

### What type of rebate would you prefer after being alerted to a price drop on a hotel you have already booked through your travel loyalty program's booking portal?



## Ready to implement AI travel planning tools? Start with early adopters and AI enthusiasts

Currently, there's a sizable gap between what early adopters think of AI travel planning tools and the average consumer. **This gap can best be attributed to one notion: trust.** Frequent or repeat users of AI travel tools are almost two times more likely than the average consumer to feel very comfortable or somewhat comfortable with AI tools accessing their personal data to enhance trip planning (69% vs. 36%).

And while the accuracy of AI-powered travel recommendations was the third top concern of the average consumer, it ranked fifth amongst early adopters, indicating a much higher comfort level with the technology.

Because they are more trusting, AI enthusiasts, who in this case are those consumers who would be motivated to switch from traditional to AI-based trip-planning methods because of innovative tools and features, are more open than the survey average to using AI to plan daily trip itineraries (71% vs. 48%), discover local attractions and activities (72% vs. 52%) and get personalized recommendations based on preference (74% vs. 52%). However, as AI enthusiasts, they are also more demanding about the improvements they want to see.



*We asked consumers...*

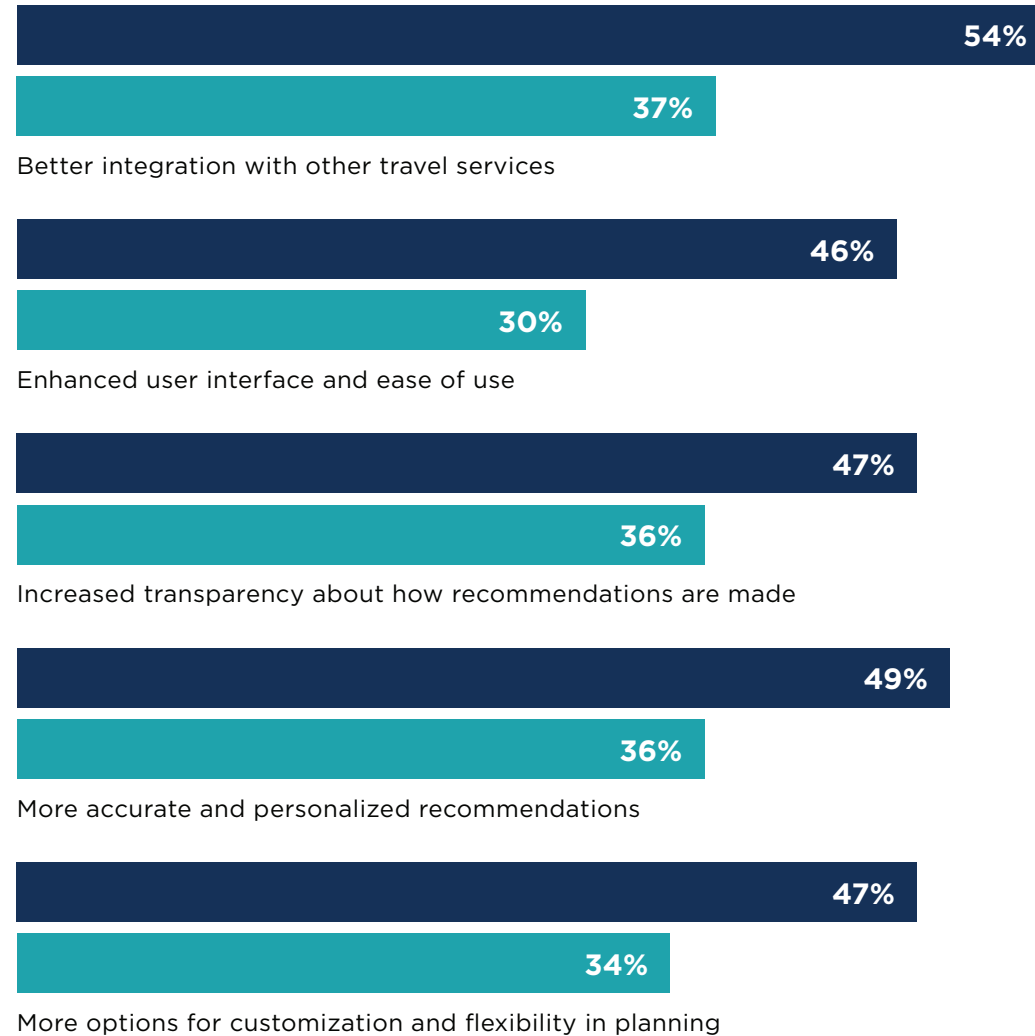
## What improvements would you like to see in AI trip planning tools?



AI Enthusiasts'



Survey Average



\*In this chart, the category of AI enthusiasts refers to those consumers who would be most motivated to switch from traditional to AI-based trip-planning methods due to innovative tools and features.





# The big picture

With any new technology, there's always a period of trial and error. Travel providers that market to early adopters, eager users and AI enthusiasts while catering to generational preferences — something AI facilitates — will come away with important learnings that will help encourage the widespread adoption of their AI travel planning tools. **Addressing consumer concerns, especially around privacy and transparency, will be vital to building trust** and dispelling the notion that AI is simply a gimmick, ensuring that it can be a tool for today and, more importantly, one for tomorrow.

At *arrivia*, we're investing in innovative ways to use AI to enhance the loyalty member experience and increase program engagement.

## *arrivia's* AI-powered travel companion

# meet *via*

Via tailors your trip to your preferences and ensures you travel at the best prices. Build your dream vacation with our itinerary builder, sync your plans to your calendar and enjoy personalized savings.



### Here's a snapshot of the *via* toolkit:

#### **TripTailor:**

A custom-crafted itinerary builder tailored to an individual's preferences, such as destinations, schedules, travel modes and desired experiences.

#### **SmartCal:**

A savvy assistant that finds and reminds you of personalized getaway opportunities based on your calendar and shares those opportunities with friends and family.

#### **RateRover:**

An AI-powered navigator that watches hotel rates post-booking, helping customers buy with confidence through price drop alerts and supplier bidding. Savings are turned into reward credits toward future vacations, enabling loyalty providers to enhance guest loyalty and elevate market status.





**arrivia** is a travel technology company that provides travel loyalty, booking and marketing solutions to consumer-facing companies that want to deliver exceptional value to their customers, uncover new revenue streams and drive growth through exciting travel rewards and member benefits. The company's **Travel Privileges program** opens up the world of travel for companies like **American Express, USAA and Marriott Vacation Club** by offering their customers more value through exclusive pricing and encouraging discovery with relevant and personalized options that inspire travel and consumer loyalty.

To learn more about how **arrivia** helps companies drive growth, incentivize sales, boost affinity and reward high-value customers, visit [www.arrivia.com](http://www.arrivia.com) or contact us [businessinquiries@arrivia.com](mailto:businessinquiries@arrivia.com).

## Methodology

The results in this report are from an online survey conducted by **arrivia** and the research firm, Researchscape, of 1,087 U.S. adults. The survey was fielded in July 2024, and the responses were weighted to accurately reflect the U.S. population.