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**AGENTIC COMMERCE IN TRAVEL:**

# PREPARING FOR THE INDUSTRY'S NEXT BIG SHIFT

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## About this report

### **Agentic commerce in travel: Preparing for the industry's next big shift**

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# Helping travel merchants connect the dots on agentic AI

**Artificial intelligence (AI) in travel is entering a new phase. Generative AI (gen AI) was the focus for travel enterprises—airlines, cruise companies, hotels, online travel agents and others—in the last few years. In 2026, agentic AI is the next iteration, capturing the imaginations of merchants vying for competitive advantage.**

Although the potential rewards for companies implementing agentic AI are considerable, travel is particularly complex. Thus, enterprise travel merchants looking to enhance the consumer travel experience must consider several critical factors.

Understanding the benefits and challenges of agentic AI can help travel merchants act quickly to reap the benefits and avoid failure. Effective adoption includes choosing the most appropriate approach to agentic AI infrastructure, preparing the enterprise for implementation and selecting the right partner.

# From gen AI to agentic AI to agentic commerce

**AI in travel exists on a continuum. Generative AI helps travelers research, plan and decide—surfacing recommendations, drafting itineraries and answering questions. Agentic AI goes further, executing the tasks that follow, such as booking flights, rerouting connections and completing purchases on a traveler's behalf. This array of capabilities is the foundation of agentic commerce, where AI agents research, negotiate and complete transactions. It can be designed to operate with a “human in the loop” or complete autonomy.**

Agentic commerce is at work, for example, when a customer instructs an AI agent to find a destination in the Caribbean with a private beach, five-star accommodations and Michelin-starred restaurants; book a first-class airline ticket; reserve a week in the hotel, rent a convertible and pay with their preferred credit card—all while staying within a specified budget.

Gen AI plays a critical role in agentic commerce, enabling access to AI agents through multiple “surfaces,” including large language model (LLM) interfaces such as Google's Gemini, OpenAI's ChatGPT, Perplexity's Pro version and Microsoft's Copilot. With gen AI, travelers looking for

recommendations using AI platforms will be able to take their inquiries a step further, authorizing booking and payment without having to leave the platforms.

[Phocuswright](#) research underscores the importance of AI in travel. In its latest U.S. consumer report, [The AI Surge: Travel's Fastest Behavioral Shift in a Decade](#), in the prior 12 months one in two travelers (56%) used gen AI platforms such as ChatGPT or AI-powered search tools like Google's AI Mode for planning travel or for in-destination assistance.

In Europe, gen AI usage for trip planning varies by country, with 22% of travelers in the United Kingdom, 19% in France and 16% in Germany using it for travel as of the second quarter of 2025, according to Phocuswright's report [Chat, Plan, Book: Gen AI Goes Mainstream](#).

While gen AI platforms are gaining popularity as travel planning tools, they aren't the only surfaces becoming capable of supporting agentic commerce. Search engines, with their large user bases and growing agentic capabilities, will continue to foster growth in agentic buying, and chatbots on travel merchants' websites will evolve from information delivery systems to commerce connectors.

Another emerging surface is standalone agentic AI travel assistants, such as the one developed through a collaboration among [Sabre, Mindtrip and PayPal](#). The tool, currently available in the U.S., can “describe destinations in natural language, provide personalized recommendations for flights and hotels, ask follow-up questions and, notably, complete bookings.” Users pay without navigating away from the agentic AI chat assistant on Mindtrip's website or mobile app.

Phocuswire reports, “Under the hood, Sabre's immense travel platform powers complex real-time shopping, pricing, availability, booking and servicing, while PayPal's digital wallet enables identity verification, along with providing a streamlined, personalized and trusted checkout experience. After booking, the tool can oversee itinerary changes as well.”



# Now is the time for travel to act on agentic AI

In another recent Phocuswright report, [Travel Innovation and Technology Trends 2026](#), Mike Coletta, senior manager of research and innovation, sums up the AI-led transformation of the travel industry. “AI is no longer hovering at the edges of travel. It is now actively reshaping how trips are discovered, planned, booked and managed. Travelers are turning to AI as a starting point, businesses are embedding it into real workflows and agentic systems are beginning to act on behalf of both,” he wrote.

The travel industry is ready for the next step in AI innovation. According to Phocuswright’s [Budgets, Barriers and the Race to Agentic AI](#), based on a survey of industry executives, gen AI adoption is nearly universal: 83% of companies surveyed are using it—73% for internal operations (meeting summaries and action tracking, copy editing and proofreading, content summarization, marketing, advertising and data analysis, for example). Another 50% of respondents use AI for customer-facing functions, such as content generation, customer service, digital assistance during booking, travel inspiration, processing post-travel feedback and personalized offers and pricing.

Many travel enterprises are already beyond the discovery phase of implementing agentic AI. In his summary of findings, Coletta wrote, “Around six in 10 organizations are experimenting with or scaling agentic AI and a similar share are exploring emerging interoperability protocols and standards, such as MCP [model context protocol] and A2A [Agent-to-Agent].”

Now may be the best time for travel enterprises to jumpstart their agentic AI strategies.



“Agentic AI is already playing a key role in next-generation automation within [travel] companies, increasing productivity and reducing costs,” and “agentic commerce is gaining traction among consumers,” according to Coletta. Technology gains in 2025, he added, “set the stage for agentic AI to move to the forefront for both businesses and travelers in 2026,” including “the rapid adoption of model context protocol (MCP),” maturation of a range of agentic business automation tools and the consumer offerings that Google, OpenAI and others have announced.

Agentic commerce is moving fast, making it imperative for travel brands to be prepared to have AI agents shopping on their websites. Google announced in early February 2026 that its [WebMCP](#) is now available. According to Google, through a single API, navigator. modelContext, AI can bypass the graphical interface of a website and directly communicate with the core of web application services. In other words, this hidden highway between an AI agent and the backend of an airline, cruise company, hotel, tour operator or online travel agent (OTA) website enables AI to book a flight, cruise, room, tour or trip without a click.

# Travel as a natural fit for agentic commerce

**Travel is particularly well suited for agentic commerce. Travel is structurally complex. A typical airline workflow for issuing a ticket requires dozens of sub-decisions, rule checks and payment events. These actions could include everything from creating an offer, making a booking and collecting payment to settling, reconciling and reporting to sub-contractors, banks, codeshare partners, loyalty firms, credit card companies and tax authorities. Autonomous agents thrive on performing the same tasks repeatedly and can perform multiple workflows simultaneously, considering countless combinations and delivering optimal outcomes.**

Although the travel industry has historically experienced technological challenges resulting from aging infrastructure, legacy standards and systems and fragmented technology stacks, it is a mature industry with a well-defined technology ecosystem. AI agents, especially those embedded in a travel-centric agentic commerce infrastructure, can leverage existing platforms, integrations and protocols to complete tasks.

Matador Network founder and CEO Ross Borden said in [Inc.](#), “Another travel industry problem agentic AI solves is fragmented data. Information from airlines, hotels, OTAs, car rental companies, insurance providers and loyalty programs is hard to gather, and it’s inconsistent. Conversational AI is great at rounding all of this up, but agentic AI prevents you from having to wade into it at all.”

An agentic travel shopping experience has the potential to surpass the current user experience. Today’s process requires the traveler to search across suppliers, evaluate options, complete transactions and manage the trip manually. With agentic AI, agents will seamlessly execute the same tasks without the traveler’s involvement and arrive at the same goal in less time, with less human decision making and substantially better results.

The business case for agentic commerce in travel is also compelling:

- AI-driven personalization has the potential to boost ancillary fees in the travel industry. The International Air Transport Association (IATA) [projected airline ancillary revenue](#) in 2025 at \$144 billion. The hotel industry does not currently publish figures on ancillary revenue alone, however, the [global hotel market](#) (including ancillary revenue) was valued at approximately \$2.08 trillion in 2025.
- According to [Tredence](#), “Upselling used to be limited to booking flows or front-desk prompts. Now, agentic AI enables contextual upselling throughout the customer journey—offering a spa deal upon hotel check-in or a lounge pass before a delayed flight. These offers are tailored, timely and often feel like value-added recommendations rather than hard sells.”
- The [market opportunity](#) for travel merchants to participate in the buying journeys initiated by travelers on generic AI platforms, as measured by monthly active users (MAU), is massive. OpenAI’s ChatGPT reports 2.8 billion MAU, followed by Google’s Gemini with 450 million MAU, Microsoft’s Copilot with 30 million MAU, Perplexity with 22 million MAU and Anthropic’s Claude with 20 million MAU.
- The revenue potential for travel merchants is also substantial. According to [McKinsey](#), “By 2030, the U.S. B2C retail market alone could see up to \$1 trillion in orchestrated revenue from agentic commerce, with global projections reaching as high as \$3 trillion to \$5 trillion.”

# Navigating the transition to agentic commerce

**For travel to evolve toward the level of autonomy (and other benefits) agentic commerce offers is more dramatic than changing an apple into an orange. It's more like changing a trombone into a jellyfish. And because agentic commerce is still in the beginning phases in many industries, including travel, there are many issues to consider:**

- **Trust and control concerns:** Agents spend money, change bookings, interact with banking systems and use loyalty points. What if they make a mistake? Who is responsible? How are travelers compensated when an error is made? Travel merchants must decide how much autonomy to give AI agents or whether to allow them at all. Retail giant [eBay recently changed its terms of service](#) to forbid AI agents and chatbots from interacting with its platform without consent.
- **Change management and skills gaps:** As agents are ushered in, employee jobs will change. What will job descriptions, titles and responsibilities be post-agentic AI? How will employers narrow the AI skills gaps? How will tasks be divided between humans and machines? Introducing [change management practices](#) early in the implementation of agentic AI can positively impact success.
- **Handling edge cases and early failures:** Travel workflows are rife with exceptions: interline tickets with mixed fares, multi-currency refunds, group bookings with partial refunds. What if the merchant issues conflicting policies? What if the data is incorrect or incomplete? What if the agentic rollout flops? Failure is a possibility. According to [Gartner](#), due to a lack of “careful, strategic decisions about where and how [companies] apply this emerging technology,” over 40% of agentic AI projects will be canceled by the end of 2027.
- **Regulatory and compliance uncertainty:** Between consumer protection laws, payment regulations and tax and reporting requirements, travel is highly regulated. What if partner compensation is incorrectly

calculated? How should agents handle personal data? What can legally be automated? Tredence advises clients to [take regulatory compliance seriously](#). “Regulatory breaches undermine trust and can halt your entire AI initiative,” the company said.

- **Balancing speed and safety:** Travel enterprises are under immense pressure to deploy AI without compromising operational stability. What tasks can AI agents be trusted with? How much autonomy should be granted to agents? How fast is too fast? While few case studies detailing the implementation of agentic commerce in travel exist, there are multiple precursors, including AI-powered travel assistants, such as Delta’s Concierge, Expedia’s Romie and Marriott’s RENAI, that help with travel planning now but could potentially deliver end-to-end agentic commerce capabilities in the future. Pilot programs and first-generation AI apps allow travel brands to introduce AI technology to customers incrementally, giving them time to get the rollout right.



# Insight from retail's agentic commerce evolution

**Agentic commerce implementations in the retail sector are more prevalent and more advanced than in the travel industry. Consumers are comfortable using AI to shop and purchase goods, and available data and case studies suggest that generative AI surfaces are yielding substantial referrals to retailer websites.**

Consumer behavior is increasingly leaning toward agentic commerce. According to McKinsey, "44% of users who have tried AI-powered search say that it has become their 'primary and preferred' source for internet searching, compared with 31% who prefer using traditional search."

While retail is ahead in the race to agentic commerce, travel has as much, if not more, to gain (given the complexity of travel) by modeling some of retail's successes:

- [Perplexity](#) (Pro version) includes a feature for paid U.S. customers that "offers shopping recommendations within Perplexity's search results as well as the ability to place an order without going to a retailer's website."\*
- [Microsoft Copilot](#) has enabled checkout from inside its interface. It also introduced Brand Agents, merchant-specific, conversational commerce experiences.\*

- [Instacart](#) rolled out an AI Solutions suite focused on agentic commerce, AI assistance, in-store intelligence, catalog intelligence and agentic analytics.
- [PayPal](#) introduced agentic commerce services in the U.S., a suite of solutions that will initially include an agentic payment solution combined with a catalog and order management offering that helps merchants connect product data, inventory and fulfillment with AI-driven discovery and checkout experiences. The suite features interoperability with leading payments protocols and AI platforms, allowing merchants to integrate across multiple AI ecosystems through one single integration.

\*PayPal supports the agentic commerce capabilities of these platforms, while LLMs, such as Perplexity, Microsoft Copilot and (later this year) ChatGPT are responsible for product discovery and checkout.

[Adobe](#) research demonstrates the importance of Gen AI surfaces as critical gateways for agentic commerce in retail. "Between Nov. 1 and Dec. 31, 2024, traffic from generative AI sources increased by 1,300% compared to the year prior (generative AI traffic was up 1,950% YoY [year-over-year] on Cyber Monday). The trend has persisted beyond the holiday season. In February 2025, traffic from generative AI sources increased by 1,200% compared to July 2024." At the time, gen AI traffic had been doubling every two months since September 2024.



# Agentic commerce infrastructure options

**Before travel merchants can decide whether to implement agentic AI and, more specifically, agentic commerce, they must understand how to deploy the technology operationally. Designing an infrastructure that introduces execution logic into workflows is a foundational undertaking for companies. Experts defer to five broad approaches:**

## **Option 1: Building in-house**

Developing an agentic commerce infrastructure from the ground up (like building a house) and connecting it to the external systems and tools relevant to a specific company delivers maximum control and customization. Given the peccadillos associated with travel buying, this is no small feat. However, doing so requires the enterprise to assume responsibility for everything: governance, monitoring, maintenance and risk management. For most travel businesses, it's a very heavy, expensive and time-consuming lift.

## **Option 2: Hyperscaler-centric platforms**

Another option for merchants is to build agentic capabilities on top of an existing AI ecosystem, most commonly available from cloud providers, such as Google, Amazon or Microsoft. It's prudent to start with a foundation and some functionality, however, merchants would still have to add and be responsible for the agentic layer, including travel-specific workflows, policy enforcement and orchestration logic. In the house analogy, it's like renting a house and having to install and maintain all the required upgrades.

## **Option 3: Horizontal agent frameworks**

Building a system from general-purpose agent frameworks for planning, software use and execution (like buying the tools and blueprints but not the house) reduces the need for merchants to build from scratch. However, the frameworks are not built for travel and users must customize every plan, tool and workflow.

## **Option 4: Best-of-breed point solutions**

For companies looking to handle specific agentic functions, such as fraud detection, payment optimization or revenue management, using multiple third-party vendors (like building a house with different contractors for each room) is an alternative. This configuration is limiting, however, because while the solutions may be travel aware, they aren't always operating at the same level of functionality or governance as the others, and a weak link can cause the whole system to fail.

## **Option 5: End-to-end agentic commerce platforms**

A single, third-party platform built specifically for agentic travel commerce is the build-your-own-house-with-a-contractor-customized-to-your-specific-needs solution for travel enterprises. An outsourced, unified infrastructure can remove the travel enterprise's burden of supporting shared lifecycle state, centralized policy enforcement, consolidated customer data and the twists and turns the technology is likely to take as it develops. The enterprise (as opposed to intermediaries) owns and controls customer information because the system supports all agentic commerce functions, including discovery, booking, payment and servicing.

State-of-the-art, end-to-end agentic commerce platforms offer other advantages. They use multiple agentic commerce protocols and integrate with both agentic and non-agentic surfaces, alleviating the merchants' burden of maintaining separate application programming interfaces (APIs) and allowing them to turn integrations on or off as needed. They may also provide cybersecurity protection on payments, fraud detection and enhancements to cross-border payments, while addressing recurring issues of latency, reliability and personalization.



# Preparing travel enterprises for agentic commerce

There are many operational adjustments that merchants must make to prepare for agentic commerce. [PayPal recommends](#) merchants consider:

- **Audit product catalog and data structure:** Ensure product data is optimized for AI discoverability, with clear titles, comprehensive descriptions, accurate attributes and rich metadata. Agentic AI surfaces prioritize brands with well-structured catalogs.
- **Choose an integration path:** Decide between direct integration with individual agentic AI surfaces (requiring dedicated development resources and ongoing maintenance) or working with a trusted commerce partner.
- **Build and deploy a commerce infrastructure:** Stage the product catalog and stand up the required commerce API endpoints for each platform and AI agent you want to reach.
- **Navigate commercial agreements:** For direct integrations, negotiate and sign individual agreements with each AI platform covering data usage rights, fraud liability and other commercial terms.
- **Test, launch and monitor performance:** Validate transactions, user experience and conversion metrics across all integrated platforms before going live, then continuously monitor performance to optimize results.
- **Maintain protocol compliance:** Keep integrations up to date as each agentic commerce protocol evolves, requiring ongoing development work and coordination with protocol developers.

# The ideal profile of an agentic commerce partner

**Choosing to work with a third-party provider of a unified, agentic commerce infrastructure may be an appropriate choice given the shortage of agentic commerce talent available, the degree of difficulty associated with building an agentic commerce system and the rapid pace at which technology and consumer adoption of agentic commerce are progressing. When assessing potential partners, travel merchants may consider a range of capabilities, including:**

- Integration with multiple external search, discovery and payment surfaces so merchants can leverage as much inbound traffic as they can handle
- Protocol and API-agnostic agentic commerce capabilities, allowing merchants to customize their instance of the agentic commerce infrastructure
- Access to a broad ecosystem of users and partners, which may help merchants reach additional demand and distribution opportunities
- Established global brand recognition and trust to provide merchants and customers with confidence
- Support for complex travel workflows, including customer-to-merchant and merchant-to-supplier interactions
- Experience supporting global travel commerce, particularly in global, multi-party transaction environments
- Capabilities across payments, risk, identity, servicing, governance, security and compliance, which can be important in highly regulated industries such as travel
- A cohesive infrastructure approach rather than a collection of disconnected tools, to help manage the lifecycle of agentic transactions
- Support for multiple operating models, including human-in-the-loop workflows today and autonomous agent-to-agent interactions as technology matures
- Operational scale, resilience and a long-term investment in agentic commerce capabilities





# Conclusion

**While agentic commerce in travel is budding, the existing infrastructure options, early successes and established partners in both retail and travel provide travel merchants with a solid roadmap for exploring and, ultimately, evolving their commerce capabilities. Agentic commerce tools that change the game of travel discovery, booking, payment and servicing are available to merchants across the travel ecosystem across a range of integration options.**

Now is a pivotal moment in the travel industry. As [Lareina Yee, a senior partner and director of technology research at McKinsey Global Institute](#) said, “Before long, nearly all retailers will have to grapple with the fact that a significant percentage of their customers will not be human users but rather AI agents. The challenge will be to get out in front of it now, before your rivals do.”

And as Phocuswright’s Coletta wrote in the 2026 trends report, “The question is not whether your organization will eventually adopt these tools. The question is whether you will be among those who shape how they are deployed and who compound the benefits of having started earlier.”



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## About PhocusWire

PhocusWire is a comprehensive daily news companion for the industry powered by Northstar, the leading global provider of trusted information and experiences for the audiences that drive the travel industry.

Technology and distribution form the backbone of travel, tourism and hospitality, the planet's largest industry. The PhocusWire team and our colleagues at Phocuswright have been immersed in travel technology and the ongoing digitization of the industry for decades.

PhocusWire's daily content keeps our readers up to date on breaking news while also providing broad coverage of every sector of the global travel industry, including data, expert analysis and a strategic focus on innovation and startups, all supported by Phocuswright's deep, research-driven assets.

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# PayPal

## About PayPal

PayPal has been revolutionizing commerce globally for more than 25 years. Creating innovative experiences that make moving money, selling, and shopping simple, personalized, and secure, PayPal empowers consumers and businesses in approximately 200 markets to join and thrive in the global economy.

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