

In collaboration with



TRAVEL IN A VOLATILE ECONOMY

Understanding how economic pressure, customer behaviour, and supplier dynamics are reshaping the travel value chain

Thursday 26th March | 9:00am - 10:45am GMT
In-person & Invitation Only
Bracken House, Financial Times Headquarters

Post Event Roundtable Report

OVERVIEW

The Financial Times, in collaboration with WEX, convened senior leaders from across the travel ecosystem at Bracken House in London for a closed-door roundtable examining how volatility is reshaping the travel intermediary landscape.

Set against a backdrop of geopolitical instability, fluctuating oil prices and ongoing economic pressure, the discussion focused on how these forces are translating into real-world impacts on demand, pricing, risk and operational strategy. Participants reflected on the intermediary's position at the centre of the value chain, balancing customer expectations with increasingly complex supplier relationships.

While disruption remains a constant in the sector, the tone of the discussion was measured and pragmatic. Participants emphasised that the current environment is not simply a temporary shock, but part of a longer-term structural shift affecting how travel is planned, priced and delivered.

SUMMARY OF KEY THEMES

Structural change in demand and industry dynamics

Participants broadly agreed that the current environment is accelerating structural change across the travel sector rather than creating a short-term disruption.

Periods of external shock have historically driven consolidation, with stronger, better-capitalised players gaining share while weaker operators struggle to absorb volatility. This dynamic appears to be repeating, with scale, resilience and operational flexibility becoming increasingly important competitive advantages.

At the same time, the factors shaping travel demand are shifting. While price remains relevant, decision-making is increasingly influenced by risk, safety and broader geopolitical considerations. In corporate travel in particular, spending is becoming more strategic, with greater scrutiny on the purpose and value of each trip rather than purely on cost.

Changing customer behaviour and the value equation

Across both leisure and business segments, participants observed that demand remains resilient, but expectations are evolving.

Rather than a simple pullback in travel, there is a rebalancing of how customers assess value. Travellers are more deliberate in their choices, weighing experience, flexibility and reassurance alongside price. This has led to shifts in destination preferences, with some regions becoming less attractive in the short term while others benefit from redirected demand.

In leisure travel, there were indications that consumers continue to prioritise holidays, but are more responsive to perceived value and alternative options. In some cases, pricing dynamics are creating unexpected opportunities, as shifts in international demand open up new inventory or more competitive offers.

SUMMARY OF KEY THEMES

Financial exposure and operational risk across the value chain

A recurring theme was the growing complexity of financial risk within the intermediary model.

Participants highlighted exposure across multiple areas, including refunds, chargebacks and the prepaid nature of air travel, which can leave intermediaries vulnerable to supplier disruption or failure. These risks are compounded by the interconnected nature of the ecosystem, where disruption in one part of the chain can quickly cascade.

At the same time, macroeconomic signals such as oil prices and inflation are feeding unevenly into the system. While rising fuel costs ultimately affect pricing, the link between these inputs and customer behaviour is not always direct or predictable, making it difficult for intermediaries to translate external signals into clear strategy.

The critical role of service, trust and resilience

In periods of disruption, the value of service becomes more visible. Participants noted that moments of crisis tend to reinforce the importance of human support alongside digital capability.

While technology continues to drive efficiency in routine transactions, disruption exposes its limits. The ability to respond quickly, manage exceptions and support customers through complex situations remains a key differentiator.

This has implications for business models across the sector. Organisations that have maintained strong service capabilities are seeing renewed relevance, particularly as customers reassess the trade-off between cost and support. Trust, reliability and experience are increasingly central to customer retention.

SUMMARY OF KEY THEMES

Technology and AI: potential versus practical reality

The discussion also explored the role of technology, particularly AI, in navigating volatility.

While there is strong interest in the potential of agentic AI and advanced analytics, participants noted that practical application remains uneven. In many cases, expectations of what technology can deliver are outpacing current capabilities.

There was a recognition that AI can support operational efficiency and provide better visibility into demand signals, but it is not a standalone solution to structural challenges. Its effectiveness depends on integration with existing systems, data quality and clear strategic intent.

At the same time, emerging developments are beginning to reshape how intermediaries think about their role in the value chain.

Supplier relationships, dependency and shifting power dynamics

Supplier relationships, particularly with airlines, were identified as an area of both opportunity and vulnerability.

Intermediaries remain highly dependent on supplier stability, yet are often exposed to the downstream impact of disruption. This creates a complex balance between partnership and risk management, especially as supplier-side pressures intensify.

Participants also pointed to changing dynamics in areas such as pricing, capacity and route planning, which can have immediate implications for intermediaries. The expansion of certain regions highlights the need to balance short-term disruption with longer-term strategic positioning.

Managing these relationships requires greater transparency, stronger risk frameworks and, in some cases, a reassessment of exposure across different markets and suppliers.

SUMMARY OF KEY THEMES

Opportunity within volatility

Despite the focus on risk, participants were clear that periods of disruption also create opportunity.

Shifts in demand, pricing and supplier behaviour can open up new areas for growth, whether through repositioning inventory, targeting different customer segments or renegotiating supplier agreements.

There was also a recognition that intermediaries can use periods of uncertainty to strengthen their strategic positioning, investing in capabilities, partnerships and market presence ahead of a potential rebound.

The ability to act decisively during periods of volatility was seen as a key differentiator between those who emerge stronger and those who fall behind.

TOP TAKEAWAYS

- Structural change is accelerating, with consolidation and scale becoming increasingly important across the travel ecosystem
- Travel decision-making is shifting from price-led to value- and risk-led, particularly in corporate segments
- Financial exposure across the intermediary model is growing, with supplier risk and prepaid structures creating ongoing vulnerability
- Service and trust are re-emerging as critical differentiators, especially during periods of disruption
- AI offers clear potential but remains uneven in application, with expectations often exceeding current delivery
- Supplier relationships require more active risk management as dependency and concentration increase
- Periods of volatility are also moments of opportunity for those able to reposition quickly and invest with confidence

Closing Reflection

The discussion underscored the increasingly complex environment in which travel intermediaries operate. Economic signals, geopolitical developments, customer expectations and technological change are all evolving simultaneously, creating both pressure and possibility.



FT Live
Financial Times Group
Bracken House
1 Friday Street
London
EC4M 9BT

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