



# The Evolution of Business Models in the Travel Industry in the Context of Digitalization

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**Abstract:** This article examines both the retrospective and modern characteristics of business models in the travel industry, considering the impact of digitalization. The industry is undergoing large-scale transformations driven by cutting-edge technologies, necessitating a rethinking of traditional frameworks and the development of new strategies. In recent decades, the emergence of digital ecosystems, the expansion of platform-based solutions, the personalization of services, and the application of artificial intelligence have led to a fundamental reconfiguration of the tourism sector. However, despite the extensive body of research, there remain significant disagreements in the academic literature regarding the nature of digitalization: while some scholars view it as a gradual evolutionary process, others describe it as a technological revolution that radically reshapes the industry's structure. The objective of this study is to analyze the stages of business model evolution in the travel industry amid digital changes, identify key factors driving sectoral development, and systematize existing approaches to the differentiation of business models. The author concludes that the modern travel industry is moving towards integration into a unified digital ecosystem based on data and algorithms, which not only transforms consumer experiences but also gives rise to new monetization strategies and competitive models. The author's contribution lies in formulating a perspective on the future development of the sector. The findings of this study may be valuable to researchers examining the digital platform economy, tourism industry professionals, and practitioners involved in strategy development for travel companies.

**Keywords:** business model, digital transformation, digitalization, ecosystem, platform economy, tourism, travel industry, artificial intelligence.

**Introduction:** The modern travel industry is undergoing profound transformations driven by the rapid advancement of digital technologies. Against the backdrop of a global information revolution, traditional models of tourism business organization are gradually but inevitably giving way to flexible, technologically sophisticated structures.

The primary issue in this context lies in analyzing the mechanisms behind the transformation of business models in the industry under the influence of digitalization, as well as identifying the factors that contribute to the formation of new paradigms of market participant interaction. This topic requires in-depth examination, as the ability to adapt successfully to digital shifts determines both the competitiveness of companies and the effectiveness of customer experience formation.

In the current environment, the interrelation between digital technologies and business model transformation has become an increasingly complex subject of analysis. The multifaceted nature of digital transformations and their impact on the entire tourism industry ecosystem must be taken into account to develop new strategic solutions that enhance the resilience of business structures amid significant changes.

## MATERIALS AND METHODS

The sources on the subject can be categorized into several thematic groups.

The first category analyzes digital processes influencing the development of the tourism industry. R.M. Davletbaeva [1] considers digitalization as a key factor in the transformation of tourism services, emphasizing changes in consumer preferences and the growing influence of digital platforms. The study by A.S. Kanaeva and N.F. Illarionova [2] explores these transformations in the context of strategic management of travel companies, substantiating the need to adapt business models to new technological realities. Y.S. Testina and S.F. Dzagoev [5] analyze emerging technologies such as artificial intelligence and blockchain, demonstrating their potential to enhance the efficiency of tourism services. The research by R. Zhang et al. [10] provides an in-depth examination of digital transformation in the industry and forecasts its future development.

The second group of studies focuses on company positioning strategies. In particular, T.S. Romanishina [3] examines the concept of digital branding, analyzing mechanisms for strengthening trust in online services and the role of social media in shaping corporate

image. N.K. Serdyukova and S.D. Serdyukov [4] investigate modern business strategies oriented toward digitalization, including service personalization and customer ecosystem development. Meanwhile, N. Varotsis [8] concentrates on digital entrepreneurship in the tourism sector, proposing a research agenda focused on exploring the interconnection between creative industries and digital startups.

The third category of materials addresses business model typologies and market dynamics. A report by Future Market Insights [6], a certified ESOMAR market research organization, presents a forecast for digital tourism development until 2032, highlighting key technological and behavioral trends. The publication by H. Zentner and M. Spremić [9] offers a typology of business models in tourism, including platform-based, subscription-based, and hybrid variations, contributing to a better understanding of structural shifts in the industry.

The fourth group of studies is centered on digitalization in a regional context. For example, U. Salam [7] examines the impact of the COVID-19 pandemic on digital tourism in ASEAN countries, identifying the acceleration of transformation processes and the adaptation of businesses to new realities.

Despite the diversity of approaches, certain contradictions can be observed in the literature. Some authors describe the ongoing changes as an evolutionary process leading to the gradual transformation of tourism business models, while others highlight the revolutionary nature of these transformations, associated with a sharp shift toward the platform economy and new digital ecosystems. The impact of innovations on the sustainability of traditional tourism companies, as well as the long-term social and economic consequences of digitalization, remains insufficiently explored.

The methods used in this study include comparative analysis, market trend forecasting, systematization, and generalization.

## RESULTS AND DISCUSSION

The analysis of the evolution of business models in the travel industry is based on the synthesis of concepts related to the transformation of industrial structures and innovative management strategies. The methodological framework for this study incorporates interdisciplinary approaches, including elements of strategic analysis, systems theory, and socio-cultural modeling of digital processes. This comprehensive approach enables the tracing of transformation dynamics at both micro and macro levels, as well as the

identification of the relationship between technological progress and the restructuring of organizational and economic relations within the industry.

Before the digital era, travel companies relied on well-established frameworks where physical interaction with customers was a key element. Intermediaries, agencies, and tour operators played a dominant role. However, with the development of the internet and

mobile platforms, a significant paradigm shift occurred—information technologies facilitated the integration of previously fragmented links in the value chain, fundamentally transforming booking, payment, and travel planning processes. It is worth emphasizing that the blurring of traditional boundaries between service providers and end consumers has stimulated the emergence of decentralized digital platforms, which, in turn, have acted as a catalyst for the radical restructuring of business models (Fig. 1).

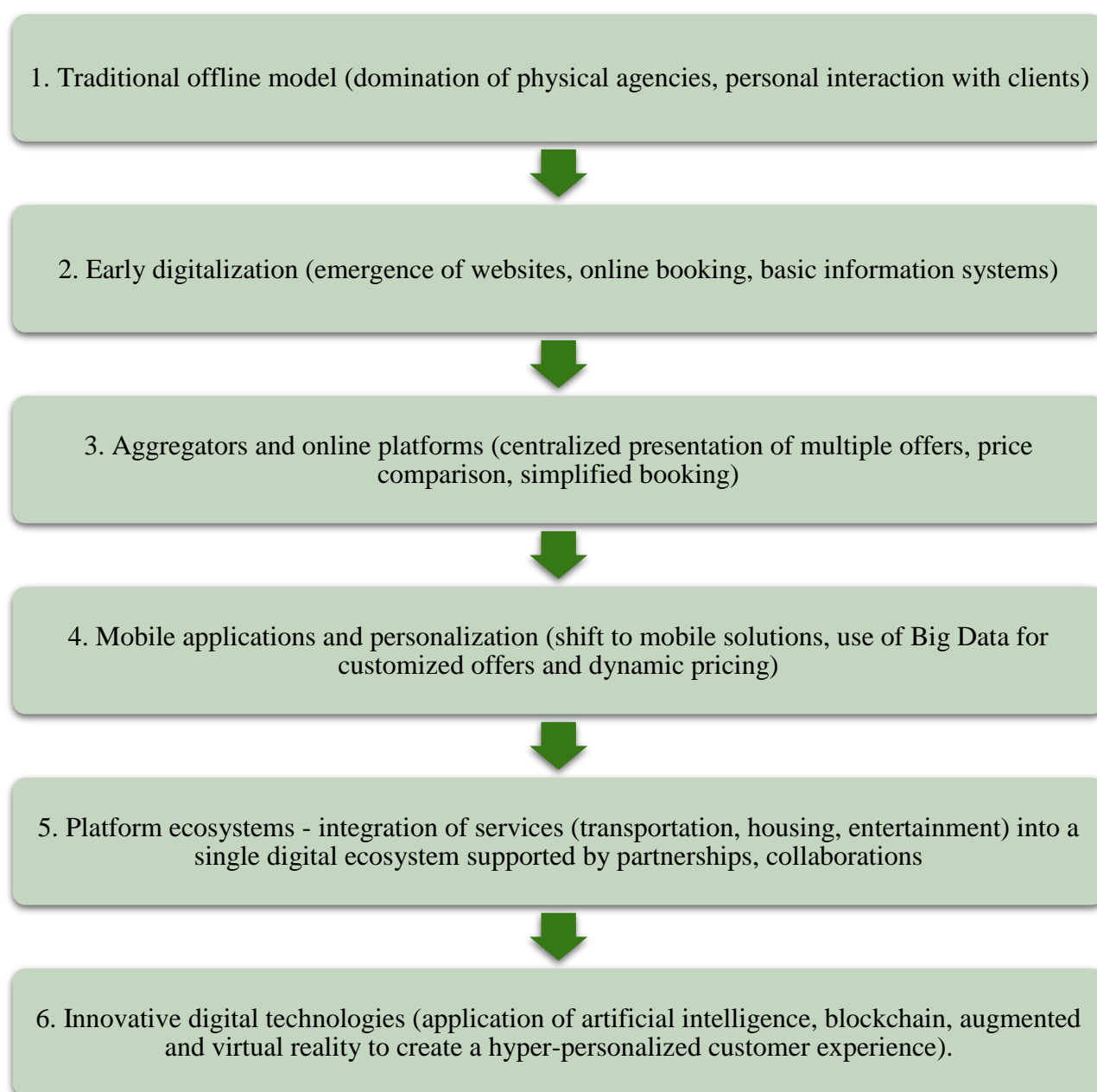


Fig. 1. Systematization of the stages of evolution of business models in the travel industry in the context of digitalization (compiled by the author based on [1-3, 5, 9])

Between 2022 and 2032, the digital travel market is expected to grow at an average annual rate of 15% [6].

Absolute values based on forecasted calculations are presented in Figure 2

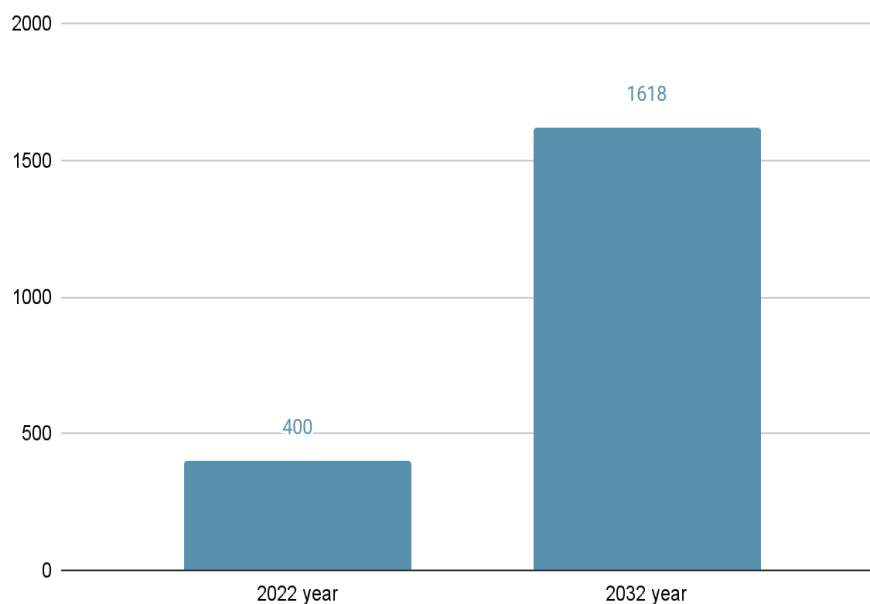


Fig. 2. Forecast of changes in the volume of the digital travel market, billion dollars (compiled by the author based on [6])

Digital technologies serve as a powerful driver shaping the development of the tourism business. Modern information systems, leveraging machine learning algorithms, facilitate both process automation and the anticipation of customer needs. The implementation of analytical tools based on big data processing allows for detailed audience segmentation, enabling real-time customization of offers. Additionally, the integration of mobile applications with augmented and virtual reality functionalities significantly expands the boundaries of traditional interactions, making the customer experience more interactive and personalized. At the same time, the application of

blockchain technologies offers additional advantages in terms of transaction transparency and personal data security. The growing role of the platform economy positively influences the formation of ecosystems in which small innovative companies can compete with global operators by offering specialized services and niche products. This shift highlights the need to reconsider classical business organization models, as the resilience of traditional structures is increasingly giving way to flexible, adaptive solutions.

The following diagram (Fig. 3) illustrates the multifaceted impact of digitalization on the structure of the tourism market.

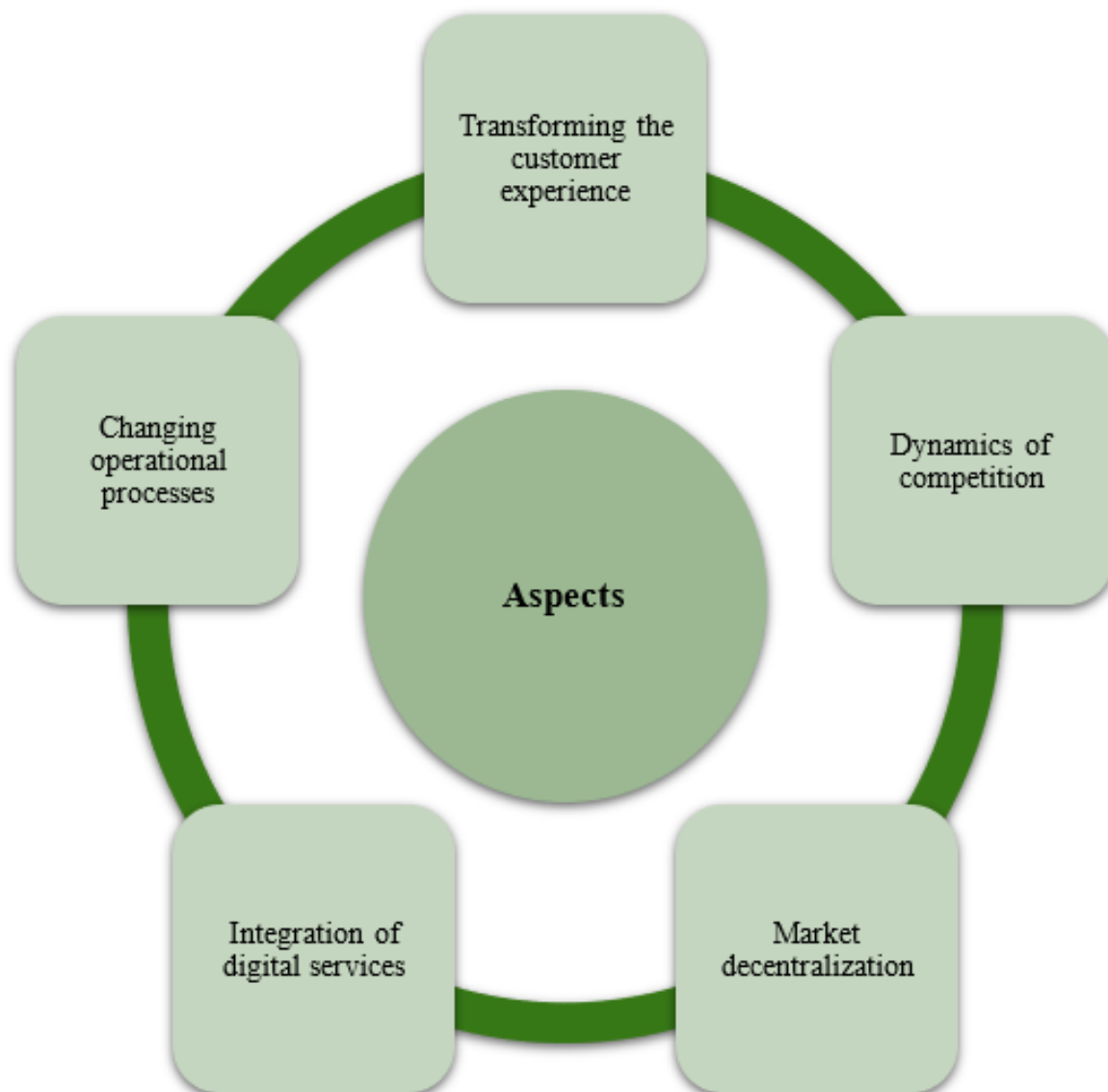


Fig. 3. Aspects of the impact of digital transformations on the structure of the tourism market (compiled by the author based on [4-6, 8, 10])

One of the most noticeable consequences of digitalization is the shift in consumer perception and expectations. On one hand, the accessibility of information and tools for independent travel planning increases consumer demands for service quality. On the other, the ability to instantly share reviews and recommendations leads to the formation of collective expert evaluations, which influence companies' positioning strategies. In this context, a digital platform becomes not just a booking tool but also a space for fostering emotional and sociocultural attachment, requiring operators to conduct in-depth consumer behavior analysis while responding promptly to emerging trends.

The transition to digital business models is accompanied by a decentralization of power in the

industry. Traditional industry giants are forced to compete with small startups leveraging innovative algorithms and flexible management structures. In these new conditions, the classical hierarchy is inevitably and systematically replaced by decentralized structures, where market interactions are based on the principles of open innovation and collective value creation. As a result, strategic competition shifts from price and scale rivalry to the provision of unique services, necessitating continuous innovation integration and the revision of corporate strategies.

Digitalization is fundamentally transforming the operational models of travel companies. The automation of booking processes, integration of payment systems, and adoption of artificial intelligence tools in inventory management contribute to cost

reduction and increased responsiveness to market dynamics. This approach enables businesses to adapt to demand volatility and establish flexible interaction models with partners, positively impacting the formation of sustainable digital ecosystems. At the same time, significant attention is given to data security and regulatory compliance, which have become critical elements in fostering consumer trust.

Despite the evident positive effects of digitalization, several challenges remain unresolved. The complexity of integrating diverse information systems, the need for continuous technological updates, and the risks associated with cyber threats create additional barriers for organizations. Moreover, the rapid pace of change inevitably leads to temporary disruptions in traditional business processes, requiring both prompt managerial responses and long-term strategic forecasting. The issue of synergy between innovative developments and established practices remains a subject of discussion among experts, highlighting the clear need for further research and the development of new methodological approaches.

Another crucial aspect is the adjustment of the regulatory framework. In the face of global digitalization, national legislation often struggles to effectively govern transnational digital processes, resulting in legal conflicts and various uncertainties regarding liability. Businesses must balance the pursuit of innovation with compliance with regulatory requirements, which frequently slows down the pace of adaptation and limits the potential for transformation.

## CONCLUSION

Analyzing the evolution of business models in the travel industry in the context of digitalization, it can be concluded that the current stage is characterized by profound structural changes affecting both operational processes and the strategic focus of companies. Digital technologies serve as both an optimization tool and a determinant of new market development trajectories. Despite existing challenges, primarily the need for integrating innovative solutions and adapting to legal transformations, the prospects for developing flexible and adaptive business models remain optimistic.

From the author's perspective, further shifts in the tourism industry will depend on several key determinants. Advances in artificial intelligence, the Internet of Things, and cloud computing will drive the development of new, more efficient customer service models. The evolution of consumer expectations,

shaped by global trends and cultural shifts, will contribute to the formation of personalized services requiring precise digital platform customization. Regulatory adaptation, including the harmonization of international legal norms and the establishment of transparent standards in digital commerce, will form the foundation for the industry's sustainable growth. Collaboration and partnerships, particularly strategic alliances between technology startups and traditional travel operators, will enable the integration of both approaches, fostering synergistic expansion.

At the same time, it is important to consider that the future of the industry will be shaped not only by technological innovations but also by socio-economic transformations that influence consumption structures and market organization. The shift from mass service models to niche and specialized offerings will become one of the key directions of development.

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