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Title: The Next Chapter for OTAs: Competing and Collaborating in the Direct Booking Age

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Abstract

Over the past two decades, Online Travel Agencies (OTAs) have transformed how travelers plan, compare, and book their journeys, emerging as indispensable intermediaries between service providers and consumers (Buhalis & Law, 2008; Xiang et al., 2015). Their platforms have revolutionized accessibility and transparency in the tourism industry by consolidating global inventories and standardizing user experiences (Li et al., 2019). However, as the digital ecosystem evolves, OTAs now face an unprecedented challenge from the rise of direct booking channels, where hotels, airlines, and alternative accommodation providers leverage proprietary technologies to bypass intermediaries and engage directly with customers (Ivanov & Webster, 2017; Dolnicar, 2020).

The growing emphasis on digital transformation and hyper-personalization has shifted the competitive advantage toward service providers that can exploit real-time data analytics, AI-driven recommendations, and customer relationship management systems (Tussyadiah & Park, 2018; Guttentag, 2019). In this landscape, traditional OTAs such as Booking.com and Expedia have begun reimagining their value propositions. Their recent strategies include the integration of loyalty ecosystems, exclusive member discounts, and bundled experiential offerings that extend beyond simple accommodation booking (Gretzel, 2021). Airbnb, in particular, has blurred the boundaries between accommodation, community, and lifestyle by leveraging platform-based personalization and peer-to-peer credibility (Sigala, 2020).

Despite these adaptive measures, the competitive landscape continues to fragment as direct booking platforms become more technologically sophisticated and consumer trust in brand-native websites strengthens (Narangajavana et al., 2019). The evolution of AI-powered marketing and predictive personalization enables brands to tailor communication and pricing dynamically, thereby reducing reliance on intermediary channels (Law et al., 2022). Nonetheless, OTAs retain certain structural advantages—such as cross-market visibility, multi-brand aggregation, and established reputational capital—that still attract consumers seeking convenience and comparison (Morosan & DeFranco, 2016).

Looking ahead, the sustainability of OTAs depends on their ability to transition from transactional intermediaries to experiential ecosystem orchestrators. This transformation requires integrating advanced analytics, fostering transparent partnerships with suppliers, and embedding ethical AI to preserve consumer trust (Buhalis et al., 2023). The future of travel intermediation lies not in disintermediation but in strategic reintermediation—where OTAs evolve into dynamic, data-rich hubs facilitating seamless, personalized, and sustainable travel journeys. In a digital marketplace defined by autonomy and immediacy, the enduring relevance of OTAs will hinge on their capacity to humanize technology and cultivate enduring emotional connections with the modern traveler (Gretzel & Sigala, 2022).

1. Introduction

The rise of **Online Travel Agencies (OTAs)** has revolutionized the global tourism ecosystem, altering how travelers search, compare, and purchase tourism-related services. Emerging in the early 2000s, platforms such as **Expedia**, **Orbitz**, **Booking.com**, and **TripAdvisor** digitized traditional travel agency functions, making travel planning accessible to anyone with an internet connection (Buhalis & Licata, 2022; Xiang et al., 2021). OTAs disrupted the conventional distribution chain by aggregating thousands of suppliers onto a single interface, offering instant bookings, dynamic pricing, and real-time availability (Law, Leung, & Wong, 2021). This digital transformation democratized access to information and significantly reduced the barriers between suppliers and consumers, empowering travelers to make data-driven, independent choices without relying on physical travel agencies (Gretzel & Werthner, 2020).

As digital literacy increased, so did consumer expectations for **transparency, convenience, and personalization**. OTAs capitalized on this by introducing advanced algorithms, user-generated reviews, and loyalty programs that fostered engagement and trust (Jeong, Oh, & Gregoire, 2021; Xiang et al., 2017). These innovations reshaped consumer behavior, as travelers began perceiving OTAs not merely as booking tools but as comprehensive platforms offering curated travel inspiration and social validation through peer reviews (Gretzel, Sigala, Xiang, & Koo, 2015). Yet, this empowerment also intensified competition and price sensitivity, pushing OTAs into a cycle of constant technological innovation to retain market share (Li, Law, Vu, Rong, & Zhao, 2021). The balance of power in tourism distribution gradually shifted as suppliers recognized the strategic value of **direct digital engagement** with their customers.

In parallel, airlines and hotels started investing heavily in their own digital ecosystems—developing brand websites, mobile applications, and AI-powered chatbots—to enhance direct booking experiences (Buhalis & Sinarta, 2019; Neuhofer, Buhalis, & Ladkin, 2020). This approach enabled them to bypass OTA commissions, access first-party customer data, and personalize offers more effectively (Inversini & Masiero, 2014; Li & Chang, 2022). For instance, major hotel chains like Marriott and Hilton launched direct booking campaigns emphasizing “Book Direct for Best Rates,” signalling a clear shift in distribution strategy (Morosan & DeFranco, 2016). Meanwhile, airlines such as Emirates and Lufthansa adopted mobile-first strategies integrating biometric check-ins and personalized travel updates, creating end-to-end customer journeys that strengthened brand loyalty (Kannan & Li, 2017). These direct

relationships fundamentally redefined the power dynamics between OTAs and suppliers, forcing intermediaries to reassess their value propositions.

The **COVID-19 pandemic** further accelerated this digital and structural transformation. Travel restrictions and mass cancellations in 2020 exposed critical vulnerabilities in OTA operations, particularly around **refund management, customer service delays, and lack of accountability** (Gretzel et al., 2021; Sigala, 2020). In contrast, brands that maintained transparent communication and flexible cancellation policies—such as Airbnb’s “Extenuating Circumstances” initiative—managed to retain customer goodwill (Jiang & Wen, 2020). This crisis underscored the growing importance of **trust, empathy, and digital flexibility** in tourism distribution (Abubakar & Ilkan, 2016). Moreover, the pandemic normalized remote work and digital interaction, creating an entirely new segment of “digital nomads” who value frictionless online booking and flexibility over traditional package tours (Han et al., 2022). The shift not only redefined consumer expectations but also demanded new operational models for OTAs based on adaptability and personalization.

In response to these challenges, OTAs are experimenting with **strategic innovations** such as dynamic bundling, AI-driven personalization, and cross-industry partnerships. Platforms like Expedia Group and Booking Holdings are increasingly integrating **machine learning algorithms** to recommend contextual offers, predict travel behavior, and personalize pricing (Buhalis, 2022; Huang et al., 2023). Some OTAs are partnering with fintech firms to offer embedded payment and insurance options, while others leverage **blockchain** for transparent transaction tracking (Tussyadiah, 2020). These innovations are designed to rebuild consumer confidence, reduce operational friction, and enhance user experience—critical factors in a post-pandemic travel environment where convenience and reliability drive loyalty (Li & Chang, 2022). Nonetheless, success in this competitive environment depends not merely on technological sophistication but on **re-establishing emotional connection** with consumers who increasingly crave authenticity and human touchpoints in digital interactions (Gretzel, 2022).

Therefore, the relevance of OTAs in the next decade will hinge on their ability to align **technology with trust and human-centered design**. This report aims to explore how OTAs can strategically reposition themselves amid evolving consumer preferences and digital disruption. It analyzes the evolution of global distribution systems, examines the rise of direct booking channels, and evaluates how innovation, personalization, and cross-sector partnerships can sustain competitiveness (Buhalis & Licata, 2022; Law et al., 2021). Ultimately, the study argues that the survival and success of OTAs depend not solely on their scale or reach but on their capacity to foster **genuine, transparent, and value-driven relationships** with both customers and partners in an era where algorithms increasingly mediate human experiences (Gretzel & Werthner, 2020; Sigala, 2020).

2. Literature Review

2.1 Evolution of OTAs

The growth of OTAs coincided with Web 2.0 technologies, which enabled real-time inventory management and consumer-generated reviews (Werthner & Ricci, 2020). Their success stemmed from offering price transparency, instant confirmation, and vast choice, addressing information asymmetry in travel markets (Kracht & Wang, 2022).

Yet, as mobile internet penetration expanded, the control over distribution fragmented. Direct channels emerged with equal technological capability—supported by search-engine marketing and CRM-driven personalization. Scholars note a “re-intermediation” cycle: while OTAs disrupted traditional agents, they now face disruption from suppliers themselves (Xiang, Magnini, & Fesenmaier, 2023).

2.2 Direct Booking Trends

Hotels increasingly promote direct channels by guaranteeing best-available rates, offering loyalty discounts, and personalizing offers through first-party data (O’Connor, 2021). Airlines like Delta and Lufthansa have integrated ancillary services—seat upgrades, lounge access—within their proprietary apps, reinforcing ecosystem loyalty (Swarbrooke & Horner, 2020).

According to Phocuswright (2024), direct digital bookings accounted for 53 % of global online travel sales, surpassing OTA market share for the first time. This shift reflects not only cost-savings on commission fees but also the desire for customer-data ownership and post-purchase engagement.

2.3 OTA Strategies: Bundling and Loyalty

To counter disintermediation, OTAs have diversified into multi-product ecosystems. Expedia Group, for instance, bundles flights, hotels, and experiences, enhancing perceived value while raising switching costs (Expedia Annual Report, 2023). Booking.com’s “Genius” loyalty program incentivizes repeat use by offering tier-based discounts and priority customer support (Buhalis & Sinarta, 2019).

Empirical studies reveal that consumers perceive bundled packages as economically advantageous and time-saving (Gretzel & Fesenmaier, 2020). However, critics argue such strategies commodify travel, undermining experiential differentiation (Sigala, 2021).

2.4 Technological Disruption

Artificial intelligence, voice search, and metasearch integration have redefined consumer behavior. Google Travel’s expansion threatens OTA visibility, as users increasingly finalize bookings within the Google environment (Xiang et al., 2023). Likewise, the rise of super-apps like WeChat Travel and Hopper consolidates search, payment, and itinerary management under one interface, bypassing OTAs.

2.5 Future Outlook

Scholars predict that OTAs must evolve from transaction platforms to “experience orchestrators,” focusing on hyper-personalization, sustainability transparency, and predictive service (Buhalis, 2023). The future belongs to those who fuse technology with human-centric value.

3. Methodology

This study employs a **qualitative, secondary research design**, chosen for its suitability in exploring evolving patterns and conceptual shifts within the Online Travel Agency (OTA) ecosystem. As the topic deals with the interplay of technology, consumer behavior, and strategic adaptation, a qualitative approach allows for deeper interpretation of meanings and patterns rather than mere numerical generalizations (Creswell & Poth, 2018; Flick, 2020). Secondary research was particularly appropriate given the wealth of existing studies, market data, and corporate insights available from credible sources such as **peer-reviewed journals, OTA corporate disclosures, and industry databases** like Statista and Phocuswright (Buhalis & Licata, 2022; Law, Leung, & Wong, 2021). This approach ensured that the analysis was grounded in existing evidence while remaining flexible enough to identify emerging industry trajectories.

The data collection phase focused on **synthesizing reputable academic and industry sources** published between 2018 and 2024 to capture recent developments in OTA business models and digital transformation. Peer-reviewed journals such as *Tourism Management*, *Information Technology & Tourism*, and *Journal of Travel Research* were consulted to ensure scholarly rigor (Gretzel et al., 2021; Li & Chang, 2022). In parallel, **corporate reports** from key OTAs—Booking Holdings, Expedia Group, Airbnb, and Agoda—were analyzed to examine their real-world responses to competitive pressures and technological disruption (Expedia Group, 2023; Booking Holdings, 2022). Supplementary insights from **Phocuswright, Statista, and Skift Research** were used to contextualize financial trends, user adoption rates, and digital engagement metrics (Phocuswright, 2023; Statista, 2024). The inclusion of diverse data sources provided a comprehensive and contemporary understanding of the global OTA landscape.

The research followed a **thematic analytical framework**, identifying four core themes: (1) *market trends*; (2) *strategic responses*; (3) *technological innovation*; and (4) *future positioning*. Thematic analysis was employed to categorize and interpret data systematically while maintaining narrative coherence (Braun & Clarke, 2019). Within each theme, cross-comparative insights were developed—such as examining how Booking.com leverages AI-driven personalization compared to Expedia’s partnership-driven strategy (Huang et al., 2023; Tussyadiah, 2020). This method allowed for a nuanced understanding of the dynamic relationships between technology adoption, consumer expectations, and OTA competitiveness. By organizing data thematically, the study moved beyond mere description toward conceptual synthesis, highlighting the interconnectedness of technological and strategic transformations across leading OTAs (Buhalis, 2022).

To enhance **validity and reliability**, the study applied **triangulation techniques**, comparing data across multiple case studies—specifically Booking.com, Expedia, Airbnb, and Agoda.

Triangulation strengthens research credibility by integrating insights from various perspectives and confirming findings through cross-verification (Denzin, 2017; Flick, 2020). For instance, similarities in post-pandemic recovery strategies among these OTAs, such as flexible cancellation policies and AI-based customer service, were critically examined to validate recurring patterns (Gretzel, Sigala, Xiang, & Koo, 2015; Sigala, 2020). By integrating multiple secondary sources, the research ensured interpretive depth and minimized potential bias that may arise from single-source dependency.

Finally, **ethical considerations** were handled with academic integrity and transparency. As this research relied exclusively on publicly available and published data, no direct human participation was involved, thus eliminating potential ethical risks (Creswell & Poth, 2018). Nonetheless, the study maintained **intellectual honesty** through meticulous citation and adherence to the **APA 7th edition** referencing style (American Psychological Association, 2020). Care was taken to represent all authors and data sources accurately, ensuring respect for intellectual property and scholarly contribution. Moreover, interpretations were presented objectively, avoiding exaggeration or selective bias in the discussion of results. This ethical rigor reinforces the trustworthiness and credibility of the findings, aligning with established norms of academic inquiry in tourism and management research (Tracy, 2020).

4. Findings

4.1 Market Trends

Data show continuous revenue growth yet margin contraction. In 2023, Expedia Group's revenue grew 10 % YoY, but profit margin declined due to increased marketing spend and commission pressure (Expedia Report, 2023). Booking Holdings maintained its dominance in Europe but faces new entrants like Hopper and TikTok Travel Shop (Statista, 2024).

Consumer preferences lean toward direct engagement: 61 % of travelers prefer booking directly with hotels for flexibility and loyalty rewards (Skift Research, 2024).

4.2 OTA Strategic Responses

- **Diversification:** Expedia's inclusion of Vrbo (vacation rentals) broadened its portfolio beyond hotels.
- **Loyalty Integration:** Booking.com unified multiple loyalty tiers (Genius 1–3) offering cumulative benefits.
- **Sustainability Labeling:** Airbnb's "Live and Work Anywhere" program responds to digital-nomad trends.
- **Technology:** AI-based chatbots, dynamic pricing engines, and real-time customer service automation improve user experience.

4.3 Bundling Effectiveness

OTAs increasingly package experiences with transportation and insurance, aiming to reduce churn. A Deloitte (2024) report revealed bundled packages increased customer lifetime value by 22 %. Nonetheless, over-reliance on discounts risks eroding brand perception.

4.4 Case Studies

1. **Booking.com:** Transitioning from accommodation broker to “connected-trip” provider, integrating flights and experiences.
2. **Expedia Group:** Pioneered AI-driven dynamic bundles, leveraging Microsoft’s Copilot partnership.
3. **Airbnb:** Shifted toward authentic, community-based experiences to differentiate from traditional OTAs.
4. **MakeMyTrip (India):** Localized personalization through regional-language interfaces and UPI payments.

5. Discussion

5.1 Re-Intermediation and Power Shift

The global tourism distribution ecosystem has undergone a profound **power shift**, moving away from traditional intermediaries toward suppliers empowered by **first-party data ownership and digital autonomy** (O’Connor, 2021; Buhalis & Licata, 2022). In the past, OTAs acted as the dominant gateways for both consumers and service providers. However, as hotels, airlines, and experience operators gained access to advanced digital infrastructure, they began reclaiming direct control over customer relationships (Law, Leung, & Wong, 2021). This re-intermediation has not eliminated OTAs; rather, it has transformed their function from mere transactional agents into **discovery platforms** that assist travelers in navigating vast choices (Inversini & Masiero, 2014).

OTAs still hold significant **aggregation power**, simplifying complex market information into transparent, comparable formats that enhance consumer decision-making (Gretzel, 2022). Their ability to integrate reviews, ratings, and pricing across multiple suppliers provides a unique layer of value that direct channels cannot fully replicate (O’Connor, 2021). Moreover, they offer **consumer protection mechanisms**, such as refund assistance and dispute mediation, which remain especially relevant in post-pandemic travel where uncertainty persists (Sigala, 2020). In this sense, OTAs are evolving into **hybrid mediators**—balancing their technological efficiency with the trustworthiness traditionally associated with human agents.

5.2 Consumer Behavior

Contemporary travelers, especially **Millennials and Gen Z**, are reshaping digital tourism consumption through their expectations for **authenticity, personalization, and ethical transparency** (Sigala, 2021; Han et al., 2022). These generations are inherently digital yet emotionally discerning; they prefer brands that reflect their identities and values (Morosan &

DeFranco, 2016). OTAs now face the dual challenge of catering to their convenience-driven habits while addressing deeper psychological needs such as trust, sustainability, and social belonging (Gretzel & Werthner, 2020).

The trend toward “**responsible intermediation**” reflects this consumer awakening. Younger travelers increasingly reject opaque pricing and manipulative booking tactics, demanding instead a fair, transparent, and socially responsible digital marketplace (Buhalis, 2022). Furthermore, the rise of **mobile-first behavior** has redefined service expectations—travelers expect real-time support, mobile wallet integration, and instant social validation (Xiang et al., 2021). Platforms like Booking.com and Airbnb now incorporate social-proof systems—ranging from verified reviews to influencer partnerships—to meet this desire for **collective reassurance and authenticity** (Gretzel et al., 2021).

5.3 Technological Transformation

Technology has become the **strategic lifeline** of OTA evolution, driving personalization, automation, and efficiency. Artificial Intelligence (AI) now plays a transformative role in travel planning, with tools like **Expedia GPT** and **Booking.com’s AI Trip Planner** redefining pre-trip assistance and itinerary customization (Buhalis, 2023). These innovations enable OTAs to process massive data sets, identify behavioral patterns, and offer dynamic recommendations that feel human yet are data-driven (Huang et al., 2023).

Meanwhile, **blockchain technology** offers potential for restoring credibility in digital ecosystems by verifying the authenticity of reviews and ensuring secure, tamper-proof transactions (Tussyadiah, 2020). However, the **technological arms race** also brings new risks. As more OTAs adopt similar AI tools and user interfaces, the market risks **homogenization**, where differentiation becomes difficult (Gretzel, 2022). True competitiveness, therefore, must emerge from **emotional engagement and ethical design** rather than algorithmic sophistication alone (Tracy, 2020).

5.4 Strategic Positioning for the Future

The future trajectory of OTAs will depend on how effectively they align **technological innovation with human-centric strategy**. The first priority lies in **personalization through AI**, which enables platforms to design “smart” travel packages that evolve dynamically based on user intent, behavior, and emotion (Buhalis & Licata, 2022; Huang et al., 2023). By understanding not just what travelers book, but *why* they travel, OTAs can move toward deeper experiential relevance. This kind of emotional personalization—where a platform can suggest a retreat for stress relief or an eco-lodge for sustainability-conscious tourists—can cultivate a profound bond between travelers and brands (Li & Chang, 2022).

Equally critical is **sustainability transparency**. In a climate-conscious era, travelers seek clarity on their environmental impact and actively reward brands that disclose accurate carbon data (Han et al., 2022). OTAs can embed sustainability filters and partner with certified organizations such as the Global Sustainable Tourism Council (GSTC) to showcase eco-verified listings

(Sigala, 2020). This practice not only satisfies ethical consumers but also positions OTAs as enablers of **responsible tourism ecosystems**.

To strengthen market differentiation, OTAs must pursue **experience integration** by curating local partnerships that offer immersive, culturally rich stays. Collaborations with community-based tourism operators, restaurants, and event hosts can transform OTAs into **storytelling platforms**, enabling travellers to discover places through emotion rather than algorithm (Gretzel & Werthner, 2020). Airbnb's "Live Anywhere" campaign and Expedia's partnership with local guides in Southeast Asia exemplify this experiential shift (Expedia Group, 2023). Such collaborations reaffirm the **human dimension of travel**, merging convenience with cultural discovery.

Another cornerstone of future positioning is **data ethics and consumer privacy**. As personalization deepens, so do privacy concerns (Morosan & DeFranco, 2016). OTAs must therefore embrace transparent data practices that prioritize consent, security, and control (Tussyadiah, 2020). Building ethical data cultures not only complies with regulations like the GDPR but also **fosters digital trust**, transforming privacy protection into a competitive advantage (Li & Chang, 2022). When travelers feel safe, they are more willing to share personal insights that enhance the overall experience—a mutually beneficial cycle grounded in integrity.

Lastly, **collaborative alliances** represent a vital growth avenue for OTAs. Strategic co-marketing with airlines, hotels, tourism boards, and even fintech firms can create synergies that elevate brand reach and enrich customer experience (Buhalis, 2022). For instance, Expedia's partnerships with Mastercard and Emirates demonstrate how integrated ecosystems can enhance payment flexibility and cross-promotional value (Phocuswright, 2023). By embracing **coopetition**—a blend of cooperation and competition—OTAs can transcend traditional boundaries, positioning themselves as orchestrators of holistic travel experiences rather than isolated intermediaries (Sigala, 2021).

In essence, the future of OTAs rests not merely on technological prowess but on **redefining intermediation as a human experience**. They must blend automation with empathy, efficiency with transparency, and innovation with sustainability. The next generation of OTAs will be those that not only simplify journeys but also **restore the emotional meaning of travel**—reminding the world that technology, when guided by humanity, can turn booking clicks into memories that last a lifetime (Gretzel, 2022; Buhalis, 2023).

6. Conclusion

Online Travel Agencies (OTAs) now stand at a decisive **strategic crossroads** in the global tourism industry. The digital transformation that once empowered them to democratize travel has also equipped hotels, airlines, and consumers with the same tools of transparency and connectivity. What was once a story of innovation and disruption has become a challenge of **reinvention and resilience** (Buhalis & Licata, 2022; Law, Leung, & Wong, 2021). As direct booking channels rise through brand websites, loyalty programs, and mobile apps, OTAs can no

longer rely on their intermediary role alone. Instead, they must redefine their purpose—not as brokers of transactions, but as **curators of meaningful travel experiences** (Gretzel et al., 2021; Li & Chang, 2022).

The growing popularity of direct channels stems from the **empowerment of data ownership** and **consumer autonomy**. Travellers now expect hyper-personalized, real-time interactions tailored to their habits, preferences, and emotions (Neuhofer, Buhalis, & Ladkin, 2020). This evolution reflects a broader cultural shift toward authenticity and brand intimacy, where consumers prefer businesses that “know” them without invading their privacy (Morosan & DeFranco, 2016; Han et al., 2022). OTAs, therefore, must transition from mass-market platforms to **experience-driven ecosystems** that integrate emotion, trust, and individualization into every touchpoint (Gretzel, 2022). By embracing personalization ethically, OTAs can move beyond transactional exchanges to nurture **long-term relationships** that mirror the emotional nature of travel itself.

Despite the competitive threat of direct bookings, the **extinction of OTAs is neither imminent nor inevitable**. Instead, their future lies in strategic **transformation and convergence**. Leading OTAs like Booking Holdings and Expedia Group are already repositioning themselves as **holistic travel platforms**, offering bundled services that integrate flights, accommodations, insurance, and local experiences in one seamless journey (Expedia Group, 2023; Booking Holdings, 2022). This comprehensive approach allows OTAs to reclaim value through **ecosystem orchestration**—where convenience meets emotional satisfaction (Buhalis, 2022). Moreover, partnerships with fintech firms and destination management companies further enable OTAs to diversify their value proposition and remain central to the traveler’s digital journey (Huang et al., 2023).

The **post-pandemic recovery** has also taught OTAs that survival depends on **trust and transparency**. During the COVID-19 crisis, refund delays, opaque policies, and poor communication severely damaged consumer trust (Sigala, 2020; Gretzel et al., 2021). In contrast, brands like Airbnb, which embraced open communication and flexible refunds, managed to strengthen their reputation and customer loyalty (Jiang & Wen, 2020). These lessons reaffirm that **trust is the new currency** of digital travel. OTAs that invest in transparent customer service, proactive engagement, and fair data practices will not only rebuild confidence but also differentiate themselves in an increasingly saturated market (Abubakar & Ilkan, 2016).

Another defining factor for OTA longevity will be **technological innovation grounded in human empathy**. Artificial Intelligence, blockchain, and predictive analytics offer immense potential for improving personalization and operational efficiency (Tussyadiah, 2020; Huang et al., 2023). Yet, technology alone cannot sustain loyalty—users must feel seen and understood. A purely algorithmic approach risks alienating travellers if it lacks emotional resonance (Gretzel & Werthner, 2020). Thus, the winning formula will blend automation with authenticity—technology that simplifies life without stripping away its warmth. Human-centered design, empathetic AI, and ethical data usage must therefore become the moral pillars of the next-generation OTA experience (Tracy, 2020).

Furthermore, **sustainability and responsible tourism** have emerged as defining elements of consumer choice. Modern travellers, especially Gen Z and Millennials, seek brands that align with their environmental and ethical values (Han et al., 2022; Sigala, 2020). OTAs have an opportunity to lead by integrating sustainability filters, eco-label partnerships, and carbon-neutral travel options directly into their booking systems (Buhalis, 2022). By promoting greener travel choices and transparent impact metrics, OTAs can transform sustainability from a marketing slogan into a measurable business strategy. In doing so, they can attract value-conscious travellers who view tourism not just as leisure, but as a shared social responsibility.

The competitive landscape is thus no longer a **battle between OTAs and direct channels**, but between **transactional convenience and experiential value**. While direct channels may offer price advantages, OTAs can position themselves as the emotional and logistical bridge that simplifies complexity and amplifies discovery (Li & Chang, 2022; Gretzel, 2022). The path forward lies in **integration rather than opposition**—creating cooperative networks where hotels, airlines, and OTAs share data responsibly to deliver seamless end-to-end journeys (Huang et al., 2023). In such a collaborative environment, the traveller—not the platform—becomes the true center of value creation.

In conclusion, the destiny of OTAs will not be determined by algorithms, market share, or commission structures alone. It will depend on how deeply they can **understand the evolving human spirit of travel**—its desires for connection, authenticity, and meaning. As the industry enters a new era defined by technological abundance and emotional scarcity, **innovation anchored in empathy and ethical intelligence** will define survival (Buhalis & Licata, 2022; Tussyadiah, 2020). OTAs that evolve into **trustworthy, human-centered ecosystems** will not only endure but thrive—proving that in the digital age, the most powerful form of technology is still understanding the human heart.

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