

The Rise of Travel Subscriptions: Unlocking New Travel Opportunities



Source: Pixabay (2024)

Background

A subscription is a business model where customers are charged regularly for continued access to a company's product or service (Stripe, 2024). This practice has been the cornerstone of many industries, providing a reliable revenue stream and a medium to engage with customers. In recent years, the concept has emerged and scaled within the travel industry, with more brands and consumers moving towards subscription-based platforms and exclusive travel clubs (LinkedIn, 2024).

What is Travel Subscription?

Similar to subscriptions in other industries, travel subscription programs offer a variety of benefits and financial incentives to travelers. The trend began with airlines and cruise companies introducing "all-you-can-travel" passes that promise unlimited service for a monthly or annual payment (FTN News, 2025). As technology has evolved, the emergence of subscription-based travel agents has enabled customers to access a wide range of travel services—from transportation to accommodation—by subscribing to a single platform, much like how Netflix and Spotify changed the way people access TV shows and music (PhocusWire, 2024).

A Case of eDreams

eDreams, a leading online travel agency in Europe, launched its Prime subscription service in 2017, which has since grown to over 5.4 million members and generates HKD\$2.7 billion in annual recurring revenue (LinkedIn, 2024). The service is designed to provide "choice, convenience, and peace of mind" and offers a range of member benefits, including access to travel services at trade prices, the ability to freeze prices while finalizing travel plans, and hassle-free cancellation of bookings for a monthly fee of HKD\$440 (Forbes, 2025). This exemplifies how subscription-based travel is transforming the planning and overall experience of travel for consumers.

How Does It Differ from Traditional Loyalty Programs?

While both subscription and loyalty programs are designed to retain customers, there is a distinct difference between the two. Loyalty programs allow customers to unlock various rewards by accumulating points, which require continuous commitment and support for the brand. In contrast, subscription programs offer immediate access to member perks and rewards upon payment of the subscription fee (AirPlus, 2022). Furthermore, research shows that members of paid subscription plans are 60 percent more likely to increase their spending on the brand after subscribing, compared to just a 30 percent likelihood increase for members of free loyalty programs (Medium, 2022). This distinction highlights the potential of subscription models to drive greater customer loyalty and spending.

Challenges

Despite the promising potential of travel subscription services, several challenges remain that could impede their growth. One major issue is that some consumers may be reluctant to embrace the model. Some still prefer pay-as-you-go options, which allow more flexibility, while others may be hesitant to commit to a subscription, especially if it means sacrificing accumulated points with brands they have been loyal to. Additionally, retaining subscribers can prove difficult, as travelers may find it challenging to justify continuing their subscription after enjoying the initial perks. Without compelling reasons to remain engaged, such as consistently enhanced benefits or exclusive offerings, subscribers may easily opt to discontinue their service, impacting the overall sustainability and profitability of the subscription model in the travel industry.

Discussion Questions

1. What are the key benefits that travel subscription services offer to consumers, and how do these benefits enhance the overall travel experience?
2. How does the immediate access to perks in subscription programs influence consumer spending behavior compared to traditional loyalty programs?
3. How might travel subscriptions affect the way people plan and book their trips?
4. In what ways have technology advancements facilitated the growth of subscription-based travel services, and what future innovations could further transform this industry?

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Keywords

- Tourism
- Travel Trends
- Consumer Behaviour
- Subscription
- Loyalty Program
- Customer retention