

# AI, Antitrust & Algorithms: EU Targets Google, Travel Grapples with Generative Tech

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Good Sunday morning from Seattle . . . Our Online Travel Update for the week ending Friday, March 21, is below. This week's Update features a number of stories on the EU's renewed interest in pursuing competition compliance, even if in the face of threatened U.S. tariffs. What this might ultimately mean for Google search and/or Booking.com remains to be seen. Enjoy.

- **EU Issues Preliminary Findings Regarding Google.** The European Commission issued preliminary findings this past week concluding that Google's "self-preferencing" of its flight and accommodation business violated the Digital Markets Act (DMA). With these findings in hand, Google can now prepare a formal response. Google's initial response (noting that the findings were "misguided") claimed that changes already made by Google to comply with the DMA were causing EU travel businesses to lose direct traffic. Initial published reactions were mixed. Trivago applauded the findings. Others, particularly those concerned about the effects of further Google changes on direct bookings, raised concern. What about Booking.com, you ask? According to *Skift*, the EU Commission is monitoring Booking.com's DMA compliance and speaking to hoteliers and others in the EU travel industry.
- **"Don't Write Off AI as Hype," - Chris Hemmeter.** By now, many of my readers are probably growing tired of the many stories on AI, particularly generative AI and its predicted effects on travel - at all stages of the funnel. For some time, I too thought AI was a lot of hype (like we've seen in the industry in years past) and would ultimately fade away. My perspective changed dramatically with the first demos of agentic AI like OpenAI's Operator. Since then, I've tried to persuade clients to take a closer look at AI and its likely effect on client's existing sales, marketing and distribution practices (not unlike the disruption hoteliers experienced following 2001 with the tremendous growth of OTAs). My efforts have seen mixed results. If you don't believe me, maybe you might believe Chris Hemmeter, a long-time friend, industry savant and managing partner at Thayer Ventures. In Chris' presentation last week at the WiT Africa conference in South Africa, Chris explains why he believes generative AI is both an existential threat to travel suppliers and enormous opportunity for industry entrepreneurs. I hope you take the time to read the story.
- **AI-Generated Traffic Results in Higher Engagement, But Lower Conversions.** In a report released last week by Adobe, Adobe details the tremendous growth in AI-generated traffic to retail and travel sites (in some instances 1700% increase YOY). But what about these AI users? Adobe's research reveals that these users are more engaged (e.g., more time spent on the website, more pages viewed and a lower

bounce rate), but they are less likely to convert - at least right now (but that number is increasing, which according to Adobe, reveals that users are becoming more comfortable with these new tools).

Have a great week everyone.

### **European Commission Finds Google Favors Its Own Travel Listings, Violates Competition Rules**

*March 20, 2025 via Skift Travel News*

Skift has been arguing for more than a decade that Google creates an anti-competitive playing field by self-preferencing its own travel businesses over those of competitors. The European Commission's wheels are turning very slowly. Share The European Commission issued preliminary findings this week that said Google's parent Alphabet ...

### **Don't write off AI as hype: Once-in-a-generation transformation, says Chris Hemmeter**

*March 20, 2025 via WIT*

An existential threat to suppliers and golden time for startups. Yes, there is a lot of hype around AI right now and some of us may have become immune or even cynical about it but you'd be wise not to, warned Chris Hemmeter, managing director of Thayer Ventures.

### **EU Won't Shirk Hitting Tech for Fear of US Backlash, Ribera Says**

*March 19, 2025 via Bloomberg.com*

### **What Happened to Google's AI Trip Planner?**

*March 18, 2025 via Skift Travel News*

Google said that the tech is advancing quickly, and priorities change along with it. Google is still adding AI tools that can help with travel, but a dedicated trip planner expected last summer is no longer on the roadmap, a Google spokesperson told Skift. The tech giant showcased ...

### **Report assesses AI performance of leading travel firms**

*March 18, 2025 via Travel Weekly*

Travel firms using AI and data analytics as "invisible enablers" to enhance rather than replace personal service have been identified in a new report.

### **Report: Generative AI drives traffic to retail, travel sites**

*March 18, 2025 via SmartBrief*

Generative AI traffic to US retail sites increased 1,300% during the 2024 holiday season and has continued to grow, Adobe reports. In February, traffic was up 1,200% from July 2024, with 39% of consumers using AI for online shopping. While engagement is higher, conversions are 9% lower than from other ...

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## Authored by

[Greg Duff](#)

[Principal|Seattle](#)

[206.816.1470](tel:206.816.1470) [greg.duff@foster.com](mailto:greg.duff@foster.com)