

# AI Developments, UK Consumer Law Reforms, and 2025 Revenue Forecasts for OTAs

04.14.25 01.07.26

Good Sunday morning from Seattle . . . Our Online Travel Update for the week ending Friday, April 11, 2025, is below. This week's Update features a heavy dose of AI related stories - including Microsoft's recently announced partnership with Expedia and other OTAs – as well as a helpful overview of the UK's Digital Markets, Competition and Consumers Act (DMCCA), which re-writes certain consumer laws and provides UK authorities new consumer protection enforcement powers, including with regard to junk fees. Enjoy.

- **UK's DMCCA Introduces New Obligations and Enforcement Powers.** Starting on April 6, businesses operating in the UK will face a number of new obligations and the likelihood of increased enforcement of those obligations. The DMCCA amends certain portions of the UK's existing consumer protection legislation and grants the Competition and Markets Authority (CMA) new powers to enforce those protections directly (without resorting to courts first). Key changes address areas critical to hotels and other travel industry businesses, including fake reviews and junk fees (businesses are now prohibited from presenting a "headline" price that does not include mandatory fees). A summary of these important consumer law changes is available from the CMA [here](#).
- **Analysts Cut Estimated 2025 Revenue Growth for OTAs in Half.** Add tariffs to an already weakening economy and you get a reduced growth outlook for Booking.com, Airbnb, Expedia and TripAdvisor for 2025.
- **Introducing "Copilot Actions," Microsoft's New Agentic AI.** This latest addition to the agentic AI footrace comes from Microsoft and works alongside Microsoft's newly announced Copilot Search (Microsoft's AI enabled search engine similar to Google's existing AI Overview). As part of its announcement, Microsoft identified Expedia, Booking.com and Kayak as its initial travel booking partners. Unlike other recently announced agentic AI tools (e.g., Open AI's Operator), Microsoft's new tool will be available to the general public without the need for subscriptions or additional fees.

Have a great week.

## Kayak launches new AI tool for travel search

*April 10, 2025 via Phocus Wire*

Kayak described the new platform as its tech team's "playground for innovation" and said what works best on Kayak.ai will then become part of Kayak.com for everyone to use.

### **How AI and visual search are reshaping travel discovery**

*April 9, 2025 via Phocus Wire*

Visual search is beginning to dominate, especially for younger travelers and the numbers show that it's probably not a passing fad.

### **Don't fake it 'til you make it: The CMA's enhanced consumer enforcement powers**

*April 8, 2025 via Lexology*

Significant new direct consumer protection powers for the UK's Competition and Markets Authority (CMA) came into force. With the CMA having set out its early enforcement priorities and approach, in this post we explore what the new regime means for consumer-facing businesses in the UK and ...

### **Growth Outlook for Online Travel Firms Cut in Half: Morningstar**

*April 8, 2025 via Skift Travel News*

Competitive moat or no moat, growth in online travel looks to be much more modest this year than previously expected. Share Citing President Trump's tariffs and a weakening outlook for the economy, Morningstar reduced its 2025 revenue growth outlook for Booking Holdings, Airbnb, Expedia Group, and Tripadvisor. Morningstar ...

### **Microsoft's Copilot gains the ability to complete web tasks on your behalf**

*April 5, 2025 via Techspot*

The goal of AI has always been to take mundane tasks off our plates so we can focus on more important things. Microsoft's new Copilot Actions brings that reality a bit closer.

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