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AI, Junk Fees, and Expedia's Earnings: Key Highlights from the Week in Online Travel

05.12.25

Good Sunday morning from Seattle . . . Our Online Travel Update for the week ending May 9, 2025, is below. What started initially as a relatively slow week in online travel picked up as the week progressed. Earnings releases captured much of the attention this past week, though Google's announcement on its delivery of advertising for AI platforms garnered a lot of interest (and just made it into my AI presentation to the AH&LA General Counsel Committee on Thursday). For those of you who didn't sit in on the earning release calls for TripAdvisor or Expedia, we've attached the transcripts for both calls. I hope you enjoy.

- **FTC Issues Additional Guidance on Pending Junk Fees Rule**. The much-discussed FTC rule on junk fees takes effect tomorrow, **Monday, May 12, 2025**. If questions remain about the rule and its application, the FTC's newly issued FAQs may provide some last-minute assistance. If questions still remain, please let us know. We would be happy to share the materials we presented recently as part of AH&LA's program on the issue.

- **Expedia's Tough First Quarter the Result of Heavy U.S. Concentration**. Oh, to be Booking.com with a truly global platform. With inbound international travel to the U.S. down (particularly from Canada), Expedia was forced to reduce its full year gross bookings growth and revenue growth forecast. Highlights for Expedia came largely from its B2B and advertising businesses, which enjoyed continued robust growth (14% and 20%, respectively) in the first quarter. Among the more interesting aspects of the quarterly release were Expedia's announced partnership with social media platform Instagram and Expedia's continued discussion around AI. Expedia and Instagram have partnered to allow Instagram users to create itineraries directly from the social media platform's videos and then to book travel from the itineraries. The new tool is called Trip Matching, and it will be rolled out to U.S. users in the weeks ahead. On the AI front, Expedia continues to work with several generative AI platforms to ensure its listings appear in the platforms' user outputs.

- **Google Tests Advertising in AI Generated Search Results**. For some time now, many have debated how AI platforms would survive financially; subscription fees alone would never sustain the kind of investments needed to support and grow their AI infrastructure. Enter Google and its Google Adsense for Search. Google is now allowing AI platforms to connect with Google's advertising program and deliver advertising as part of the AI platforms' outputs. One of the first to feature Google's ads, is AI start up, iAsk. Travel prompts to iAsk can now produce outputs featuring sponsored links from TripAdvisor, Viator, Kayak, CheapOair and American Airlines (one of the first direct suppliers we've seen participate in

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this new AI space). It isn't clear yet how these links are triggered (e.g., keywords (or their AI equivalents)).

Have a great week everyone.

The Rule on Unfair or Deceptive Fees: Frequently Asked Questions

May 9, 2025 via FTC

Effective May 12, 2025, the FTC's Rule on Unfair or Deceptive Fees, 16 C.F.R. Part 464, prohibits bait-and-switch pricing and other tactics used to obscure and misrepresent total prices and fees for live-event tickets and short-term lodging.

Expedia Results Hit by Drop in International Travel

May 8, 2025 via Skift Travel News

The decline in interest in visiting the U.S. is real – and we're seeing it in Expedia's results. Share Demand for travel to the U.S. has weakened, and Expedia Group is feeling it. Two-thirds of the company's business comes from the U.S., and inbound travel dropped 7% during …

How AI is Reshaping Hotel Digital Marketing in 2025

May 8, 2025 via Hospitality Net

Artificial Intelligence (AI) is no longer a futuristic concept in the hospitality industry. It's a powerful force shaping how hotels attract, engage, and retain guests today. From predictive pricing to generative content, AI is driving a new wave of digital marketing innovation that can directly impact a hotel's bottom line. …

Google Places Travel Ads in Startup AI Search Engine Results

May 7, 2025 via Skift Travel News

This is the first time that the public can see Google testing ads for the future of AI-generated search results. Summarize Story Share Select a question above or ask something else Google

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