

AI Turns Up the Heat: OTAs Defend Their Turf as Big Tech Redraws the Map

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Good Sunday afternoon from Seattle . . . Our weekly Online Travel Update for the week ending Friday, December 12, 2025, is below. This week's Update includes a number of updates to stories we featured previously, including stories on the existential threat (or not) to OTAs posed by new AI platforms and the Trump administration's threatened takeover of state-level AI regulation (no longer a threat, but a reality). Enjoy.

Do AI Platforms Really Pose an Existential Threat to OTAs? This week we offer several conflicting perspectives on the question from Booking Holdings' CFO (who believes, among other things, that AI will expand the overall market of online travel benefiting Booking Holdings and other online intermediaries ("rising tides")) and *Skift's* Dennis Schaal (who, I believe has a far more realistic and less vested perspective, believes that change for the OTAs is unavoidable).

Google Ties AI Overviews with AI Mode. For those of you who have seen my presentation on AI and distribution, you'll understand the significance with which I viewed this latest announcement from Google. Mobile users of Google's AI Overviews (which is just about everyone) will now be able to seamlessly transition from AI Overviews to AI Mode for further detail or clarification on their initial query. Users of AI Overviews will be able to "Ask a follow up," which will take them directly into AI Mode. Together, this latest announcement and Google's previously announced plans to position its AI mode as a complete travel planning and booking platform will only further threaten the relevancy of traditional online search.

Amazon vs. Perplexity. In early November, Amazon filed suit against Perplexity in Northern California District Court alleging that the AI platform's use of AI agents (Comet AI Agents) on Amazon's website not only violates Amazon's terms and conditions but also constitutes violations of federal (Computer Fraud and Abuse Act) and California state (California Comprehensive Computer Data Access and Fraud Act) law. Amazon seeks both special (injunction) and monetary (damages) relief. How might such a lawsuit (or its outcome) affect online travel? Great question. We see many potential parallels to be drawn and potential lessons to be learned. For anyone concerned about how AI agents might access and use their websites, I'd encourage you to read the complaint and specifically, those sections detailing Amazon's efforts to restrict AI agents' access. Expect to see updates on Amazon's claim in future Online Travel Updates. A copy of Amazon's complaint is linked below.

OpenAI Curtails App Suggestions - For Now. By now, most everyone is probably familiar with the recent launch of apps (including Expedia and Booking.com) within ChatGPT's ecosystem. Not only can users

"summon" these apps through various means, but the apps can also be offered up by ChatGPT whenever ChatGPT believes that the app may be relevant to the user's prompts. Apparently, these app suggestions look strikingly similar to advertisements and as a result have created quite a backlash among ChatGPT users (who naively believe that ChatGPT will remain forever ad free). For now, OpenAI is turning off the app suggestions and may even allow users to permanently turn off app suggestions (or at least tailor which apps are suggested) in the future.

We have a lot in store for 2026, including the introduction of a new Online Travel Update podcast.

Have a great week everyone.

An Existential Threat? Booking Exec Sees AI as an Expansion Opportunity

December 11, 2025 via Skift

Booking's CFO thinks artificial intelligence can put his company on the offensive rather than the defensive. The odds are long but based on past performance you can't count them out.

Trump Executive Order Targets 'Excessive' State AI Laws

December 11, 2025 via Law360

President Donald Trump on Thursday signed a controversial executive order establishing a "minimally burdensome national standard" for regulating artificial intelligence, deeming the order necessary for the United States to remain a leader in AI amid "excessive" state regulation.

Cracks Emerge in the Online Travel Agency Oligopoly

December 10, 2025 via Skift

It's extremely difficult to see how the online travel agencies emerge from the LLM platform shift unscathed.

Google's Latest Test Could Erode Travel Search Referrals Even More

December 10, 2025 via Skift

Google is collapsing the gap between quick answers and deeper chats in mobile search. For travel brands, this could mean more queries - from inspiration to booking - will run through conversational interfaces, not blue links.

Amazon vs. Perplexity: The Lawsuit that Matters in Travel

December 10, 2025 via PhocusWire

Mario Gavira outlines the possible rulings in Amazon's lawsuit against Perplexity and what each could mean for OTAs, metasearch and travel suppliers. To view the complaint, click [here](#).

Google's Use of Websites, YouTube Content for AI Draws EU Antitrust Probe

December 9, 2025 via MLex

Google's use of online content to train its AI algorithms has drawn an EU antitrust probe, the bloc's regulator announced today. It raised concerns that the search giant is using websites' content to generate

AI responses in its results without obtaining publishers' genuine consent or fairly compensating them. It voiced similar ...

OpenAI Walks Back Ad-Like App Suggestions in ChatGPT, Saying it "Fell Short" and Will Improve Controls

December 8, 2025 via Techradar

ChatGPT app suggestions have now been turned off after some users mistook them for ads OpenAI hints at future user controls to determine what suggestions are shown. The backlash suggests ads would not be welcome on the platform User anger and confusion over ads appearing in ChatGPT continues, and it ...

Uber's AI Solutions Arm Is Recruiting Travel Agents

December 8, 2025 via Skift

By recruiting travel experts to train external clients' generative AI models, Uber signals it wants to become a behind-the-scenes infrastructure player for trip planning. But are travel planners and agents going along for the ride?

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