

Online Travel Update: 2021 Year in Review

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Happy New Year...Enjoy. (insert intro)

Apple Seeks to Move Forward with Controversial Privacy Requirements | January 2021

("Apple to start policing privacy update for app developers' ad tracking," January 18, 2021 via MLEX Insight) (subscription may be required)

Last fall, we featured a [story](#) detailing Apple's plans to update many of its privacy requirements as part of its release of its newest operating system (iOS 14). Among other things, the new requirements would require applications to obtain users' express consent (via pop-up messaging) to applications tracking their online activities. Responding to industry concerns over the new requirements and their likely effect on personalized online advertising, Apple agreed to delay rollout of the new privacy requirements until early 2021. Early 2021 is here, and Apple has announced plans to proceed with the rollout this spring. The approaching requirement has now prompted online advertiser industry groups in France to file claims with the French antitrust authority to enjoin the rollout alleging that Apple's changes are not motivated by a desire to better protect its users' privacy (as claimed by Apple), but instead a desire to assert even more control over access and use of its platform. More information is sure to come.

[Expedia and Others Eye Wholesale Opportunities](#) | March 2021

("Expedia, Others Poised for Hotel Market Share Battle Over Wholesale Sales," February 22, 2021 via Skift Travel News) (subscription may be required)

("Expedia Cruises develops new suite of tools to support cruise partners during recovery," February 24, 2021 via Travel Daily News)

By now, most are familiar with Expedia's landmark deal with Marriott in 2019 to distribute its wholesale (B2B) inventory. Since 2019, Expedia has purportedly inked other wholesale distribution deals with its supplier partners. While a large distributor like Expedia might first appear to have a huge head start on other lesser known players in tackling the \$50 billion wholesale segment, several well-funded smaller players are looking at ways to automate the segment as the next big opportunity. Whether these

newcomers' efforts prove successful will depend on a number of factors, including their willingness to extend credit (like their legacy wholesale competitors) to their travel agency partners. The other wildcard: Will Booking.com seek to leverage its technology and existing supplier relationships to offer similar wholesale assistance? Expect more updates soon.

Google Again Embraces Organic Search and Eliminates Hotel Listing Fees | March 2021

("Tripadvisor's New Subscription Service Edges the Company Toward Online Travel Agency Status," March 7, 2021 via Skift Travel News) (subscription may be required)

("Google eliminates fees for hotel booking links", March 8, 2021 via Phocus Wire)

("Google Drops Costs for Hotels and Resellers to List Rates in Price-Comparison Search", March 8, 2021 via Skift Travel News) (subscription may be required)

("VIDEO: What Google's overhaul of hotel booking ads really means", March 9, 2021 via Phocus Wire)

Was it a response to Tripadvisor's recently announced roll out of its "free" subscription program, Tripadvisor Plus? Perhaps it was a response to the many antitrust claims filed against Google late last year by the U.S. Department of Justice and state attorneys general. Or is it simply Google's next step toward total world domination (or at least domination of hotel metasearch)? Regardless of the reasons behind its change, Google's recent announcement came as a surprise to many. While the industry continues to analyze the significance of the change (see our multiple stories linked above), here's what we know: Google is adding two new organic slots/links (underneath four paid slots) to users' search results when they search for accommodations in a particular location. The two new slots will be available to participating hotels, online travel agents or other booking sites without charge. According to Google, the ranking of these free slots will be based on an algorithm that considers price, click-through rates and the landing page experience, but not on any existing commercial relationship with or payment to Google. The links themselves will continue to be provided via feeds from partners, including hotels, online travel agents and integration partners. Who said search engine optimization (SEO) was dead?

Tripadvisor Plus Continues to Garner Attention | March 2021

("Tripadvisor's new subscription service represents potential boon for lodging industry," says GlobalData, March 19, 2021 via Travel Daily News)

(7 Takeaways From Tripadvisor's Confidential Pitch Deck to Hotels, March 17, 2021 via Skift Travel News) (subscription may be required)

Readers of my weekly Update know that I've expressed a few concerns about Tripadvisor's new subscription program, Tripadvisor Plus - supplemental property-level terms and conditions that harken back to the days when distributors demanded broad discretion in using a property's intellectual property (terms and conditions that may also require a property to violate any applicable brand requirements), sourcing rooms and discounted rates from wholesalers and bed banks, etc. As seen in the two stories featured above, industry analysts continue to examine the new program and its effects on Tripadvisor and the properties that elect to participate.

- **Transition to a Direct-to-Consumer (B2C) Booking Platform**

For some, the program represents Tripadvisor's dramatic shift from a historically B2B player to a B2C player (in direct competition to other B2C platforms - Expedia, Booking.com, etc.). Gone are the days of Tripadvisor serving only as a review site.

- **Cost Savings?**

As seen from our first story above, the fact that the program is "free" (i.e., no commissions or other charges are paid directly to Tripadvisor for being featured) continues to garner much of the attention (though participation requires discounts of at least 10 percent (recommended 15 percent) and other guest perks - wine, upgrades and other additional benefits, all of which presumably cost something).

- **Tripadvisor's Organic Search Results May Not Be as Organic**

According to Tripadvisor, the more value a participating property offers (via discounts and other perks), "the higher you [properties] get placed in our organic search results and marketing channels." For those properties that don't participate in the new program? Well, you know what happens...Time to check those Tripadvisor terms and conditions regarding needed sort order disclosures.

Short-Term Rentals Hosts Becoming a Hot Commodity | April 2021

("Expedia's Vrbo Looks to Poach Discouraged Airbnb Hosts With New Incentives, March 29, 2021 via Skift Travel News) (subscription may be required)

We have all read the many stories chronicling the successes of short-term rentals during the pandemic. Our team has done more work in the space over the last six months than the past two years combined. Now, as the travel industry prepares for the anticipated return of leisure travel (and continued strong demand for traditional lodging alternatives), distributors are getting creative in their efforts to add to their rental inventory - even going so far as to create a dedicated programs seeking to expedite the transition of disgruntled hosts wishing to leave their current distribution platform. Meet Fast Track. Recently, Expedia Group introduced its new host recruitment program (Fast Track), which Expedia acknowledges was created specifically to respond to the influx of disgruntled hosts seeking to leave Airbnb over its refund practices. Participants in the program will enjoy preferred placement on Vrbo and a "New to Vrbo" badge on its listing for up to 90 days. The new program is currently only available to hosts in the United States, but is expected to be rolled out globally over the next few months.

Additional Details About Booking Holdings' Planned Fintech Business Emerge | July 2021

("Booking Holdings' New Fintech Unit Aims to Help Travelers Beat Banks at Their Own Game," June 9, 2021 via Skift) (subscription may be required)

In a recent interview with Skift, Booking Holdings' new fintech boss, Daniel Marovitz, shared additional details about company's plans for the new business unit. According to Marovitz, the new unit is intended to drive additional bookings, allow travelers to pay when and how they wish (using a variety of currencies and payment plans) and, of course, provide new revenue streams for Booking. According to Marovitz, elements of the new business are already being piloted across the Booking Holdings' portfolio of companies. We will

continue to watch how this new business unit continues to evolve, how suppliers respond to the new unit - and, ultimately, should suppliers waiver in their support of the new unit and its tools, how Booking forces suppliers' use of the tools by conditioning participation in its traditional distribution platforms. Facilitated payments are just the beginning...

Hopper Raises Another \$175 Million | September 2021

("Hopper raises another \$175M, will add 500 employees," August 17, 2021 via phocuswire.com)

Readers of our weekly Online Travel Update should be very familiar with online travel platform and fintech provider, [Hopper](#). Beyond its mobile-only consumer booking application, Hopper is perhaps better known for its predictive analytics and suite of travel protection and fintech products (including flight and hotel price freeze, flight delay protection and fully refundable fares and rates) that it offers through its application and other third-party channels (including Capital One's travel marketplace and recently, Amadeus and its network of travel agencies, metasearch sites and other travel sellers). This latest round of financing (which now brings Hopper's total financing to \$585 million) will be used to accelerate growth (including internationally) and to add much needed staffing to its customer support team. According to Co-Founder and CEO, Fred Lalonde, Hopper expects its 2021 year-over-year revenue growth to exceed 300 percent, with first quarter revenue expected to exceed its prior quarterly peak (Q1 2020) by 100 percent.

The Much Aligned TripAdvisor Plus Program Forced to Make Significant Changes | October 2021

("Sounding Off: Tripadvisor Plus Changes Show the Complexity of Travel Plans," September 24, 2021 via Phocus Wire)

While the Skift Global Forum received much of the attention this past week, the other major industry newsmaker was Tripadvisor and its decision to make significant changes to its subscription model, Tripadvisor Plus. For weeks now, we've detailed the challenges with the program, particularly those around Tripadvisor's public display of its discounted member rates. For this reason, major brands were unwilling to commit to the program. This past week, Tripadvisor announced an abrupt change and will now feature retail commissionable rates (gone are the member discounted rates), but provide members a cash-back credit "roughly equal" to the former member discount (or new commission percentage). When or how travelers receive the credit is unclear. While the change may make it easier for the major brands to participate (but will they, given that the program now becomes yet another commissionable leisure distribution channel), it isn't clear whether the change will increase travelers interest in the program (and increase badly needed subscription fees). What is clear is that Wall Street didn't view the announced changes favorably, cutting the company's share price by 8 percent (a loss of \$374 million in market value) on the day after the news broke.

Capital One Grows Its Travel Portfolio | October 2021

("Lola Exits Travel With Acquisition by Capital One," October 8, 2021 via Skift) (subscription may be required)

Weeks ago we featured a [story](#) detailing the demise of corporate booking and expense management app, Lola. At the time, Lola Co-Founders, Paul English and Mike Volpe, touted the app's next phase, but provided

little detail. Last week, with news that Capital One was acquiring most of Lola's software, and that approximately 50 of Lola's employees, including English and Volpe, were relocating to Capital One's Virginia-based offices, the next phase became a little clearer. This latest announced purchase is only one of many travel-related announcements from Capital One. In August of last year, Capital One acquired B2B travel startup Freebird (whose predictive technologies allow agents to better price and sell travel insurance and re-booking services) and then in August of this year, Capital One led a \$170 investment round for Hopper (yes, the same Hopper), which now powers Capital One's cardholder booking platform. Where is all this activity leading? Anyone familiar with American Express?

Amex GBT Continues Its Transformation | December 2021

("American Express GBT and Sabre partner on tech development," December 3, 2021 via Travel Weekly)

Recently, Amex GBT announced plans to go public through, you guessed it, a special purpose acquisition company (SPAC) transaction with Apollo Strategic Growth Capital. Gross proceeds from the transaction are expected to total \$1.2 billion, \$335 million of which is being contributed by new investors, including global distribution system (GDS) provider, Sabre. Following the close of the transaction, GBT's shareholders will include Expedia Group, Sabre, American Express and Certares. According to GBT's investor presentation, the new company's primary focus (at least for now) will continue to be managed corporate travel (including SME travel). Also recently, GBT announced that it was partnering with Sabre to develop technological solutions for the future of corporate travel. What the public debut and Sabre partnership might mean practically for GBT's suppliers, is unknown.

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