

Online Travel Update: Latest Quarterly Updates from Major Players, Texas AG Sets Sights on Booking.com's Practices

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It was another relatively quiet week in the industry other than news late this past week that the Texas AG had filed suit against Booking Holdings over its platforms' deceptive display of resort fees. Some highlights from the past week:

Takeaways from Expedia's Latest Quarterly Update. I'll let those much smarter than me comment on Expedia's quarterly financials. Items that caught my attention in reviewing the earning's call transcript (copied) included the following:

1. Loyalty, loyalty, loyalty. Expedia CEO, Peter Kern, could not say enough about Expedia's recent launch of its combined loyalty program, One Key, and the value of a robust loyalty program. Loyalty has clearly become a key focus of Expedia for the near term. During the second quarter, Expedia enjoyed its highest number of active loyalty members - up 15% percent year over year. Peter Kern estimates that the program now has 70 million members. The One Key program offers users multiple tiers of program membership, with each progressively higher tier enjoying greater discounts. Discounts are funded by supplier partners (not by Expedia (unlike Booking.com)).
2. B2B Business Continues to Grow. The strength of Expedia's B2B program drove Expedia's record gross bookings for the second quarter. Revenue for Expedia's B2B business grew 32% YOY in the second quarter. Expedia announced two new B2B business partnerships this past quarter - Mastercard and most recently, Walmart.

Takeaways from Booking Holdings' Latest Quarterly Update. Here are my takeaways from the latest quarterly earning's update.

1. Disparate Uses of Generative AI. Booking Holdings' use of artificial intelligence varies by platform - all in an attempt to ascertain the most beneficial use of the emerging technology. Priceline employs generative AI in the form of "Penny," a travel assistant that is intended to assist travelers at the "end-of-the-funnel" while making their booking. In contrast, Booking.com's use of the technology is at the "top-of-the-funnel" to assist users in their initial trip planning. Kayak, unlike its sister companies, is currently exploring the use of AI internally for coding and other similar purposes.

2. Alternative Accommodations Continue to Grow. Approximately 34% of all Booking.com room nights were with alternative accommodations. Global listings of alternative accommodations reached 7 million at the end of the quarter (an 8% increase YOY).
3. Mobile Application Use Continues to Grow. Approximately 48% of all room nights were booked through Booking Holdings' mobile applications in the second quarter (a 6% increase YOY).
4. Payments Platform Grows. Approximately 48% of Booking.com's gross bookings were processed through Booking.com's payments platform (versus 38% in the second quarter 2022).

Texas Attorney General Files Suit Against Booking Holdings. "Duped" "Misled" and "Deceived" – All three words appear in the Texas AG's recently filed complaint against Booking Holdings to describe Booking's offending conduct. Similar to previous complaints filed against Hyatt and Hilton, this latest complaint targets Booking's failure to include mandatory fees in the rates displayed on its websites. Even when the fees are finally disclosed at checkout, the small font and inconspicuous placement of the disclosures make them unlikely to be seen. According to the complaint, Booking further misleads consumers by grouping mandatory fees together with taxes in a single line item "Taxes and Fees" at checkout. The complaint not only highlights the effects of Booking's practices on Texas consumers, but also on Booking's "honest competitors" that are put at a competitive disadvantage by appropriately including mandatory fees in their displayed prices (the complaint points to recent settlements with Marriott and Omni and Marriott's total price displays). We will continue to monitor and report on this case as it moves forward.

The Trivago Guy Is Back But His Future Is 'Uncertain'

August 10, 2023 via Skift

Trivago Guy Tim Williams' fate in Trivago commercials now lies in the hands of the numbers crunchers. No one ever said the travel business or the acting profession are for the meek. Dennis Schaal Share Three Trivago executives returned to the company in May after a 3-year absence, ...

Booking offers concessions in bid to allay EU concerns on ETraveli buy

August 8, 2023 via Reuters

BRUSSELS, Aug 8 (Reuters) – Booking Holdings has offered to show multiple hotel options to customers who book flights on its site in an attempt to allay EU antitrust concerns about its bid for Sweden's ETraveli Group, people familiar with the matter said. The U.S. online travel agency's concessions came

Has Expedia Blunted Booking's U.S. Market Share Gains?

August 7, 2023 via Skift

There can be an ebb and flow to market share tussles. If Expedia Group indeed grew faster than Booking in the U.S. while Expedia has been distracted by a loyalty program launch and a tech platform migration, then additional gains could be in the offing in 2024, as ...

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