

Online Travel Update: Online Travel Giants \$3.5 Billion Marketing Blitz, Priceline Embraces AI, Capital One Expands, and Expedia's AI Advantage Wanes

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This week's Update features a variety of stories, including an update on the major online booking platforms' latest quarterly marketing efforts. Highlights include:

- **Big Three Spend a Combined \$3.5 Billion on Marketing in the First Quarter.** Booking Holdings, Expedia and Airbnb spent a combined \$3.5 billion on marketing during the first quarter of 2023, almost a billion more than the same period in 2022. When measured against quarterly revenues, Expedia's quarterly marketing spend was the largest (63% of quarterly revenue) with Airbnb spending the least (just 25% of quarterly revenue). Rival Booking Holdings spent 39% of its quarterly revenue.
- **Priceline is the Latest Online Platform to Announce Implementation of AI.** This past week, Priceline announced it was partnering with Google Cloud to implement generative AI into multiple areas of the platform's business. The planned integrations will be both consumer facing (e.g., a conversational AI powered chatbot to assist users in creating itineraries and selecting accommodations) and internal (e.g., a marketing platform that develops copy and images for use across the company's channels). Priceline is only the second travel platform to announce its use of Google's AI products as the majority of announcements to date by online travel platforms have been for OpenAI, the makers of ChatGPT.
- **Capital One Continues to Expand its Travel Platform.** Capital One announced this past week that it was acquiring online concierge company, Velocity Black, which will expand the financial institution's ability to offer experiences to its growing user base.
- **Expedia's AI Advantages Short Lived.** Readers of our Update might remember recent statements from Expedia Group's Barry Diller claiming that Expedia had an advantage over its competitors in the adoption of AI, in part, because OpenAI's CEO, Sam Altman, was a member of Expedia's board. Any advantage that Sam's presence on the Expedia board might have provided was relatively short lived as Sam announced this past week that he was stepping down from the Expedia board.

Online travel giants Q1 marketing spending shows wide variance

June 6, 2023 via Phocus Wire

Expedia Group spent the highest percentage of revenue on marketing while Airbnb spent the least and focused on expanding brand awareness and balancing supply and demand.

Priceline Partnering with Google on New AI Tools

June 6, 2023 via Skift Travel News

Considering Booking Holdings' close relationship with Google historically, it's no surprise that Priceline went with Google Cloud for its generative AI integrations. Now, who's next? Priceline is implementing generative AI from Google Cloud in several areas of its business.

Is Expedia the Best Bargain in the Travel Bookings Segment?

June 5, 2023 via Market Beat

Online travel and booking platform Expedia is benefiting from the robust travel demand generating record revenues but still needs to catch up in profits and valuation.

OpenAI CEO Sam Altman steps down from Expedia's board

June 5, 2023 via Puget Sound Business Journal

Sam Altman, CEO of ChatGPT creator OpenAI, has resigned from the board of Seattle-based travel company Expedia Group. Expedia announced Altman's resignation in a Friday filing with the Securities and Exchange Commission.

Capital One acquires digital concierge, Velocity Black

June 2, 2023 via Phocus Wire

Capital One is expanding its travel services with the acquisition of Velocity Black, a digital concierge company with a proprietary platform that delivers travel, entertainment, shopping and dining offerings to consumers globally.

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