

Strategic Shifts in Travel: AmexGBT Acquires CWT and Booking.com Rethinks Sustainability Ratings

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This week's Update features multiple stories and perspectives on AmexGBT's newly announced acquisition of CWT and Booking.com's decision to drop its own sustainability ratings. I hope you enjoy.

- **AmexGBT Set to Acquire Rival Travel Management Company CWT.** First the details . . . According to AmexGBT CEO, Paul Abbott, the \$570 million acquisition will allow AmexGBT to grow its corporate customer base by 4000 customers and will increase AmexGBT's transaction volumes and revenues by 45% and 33%, respectively. Other announced benefits include growth in certain key customer segments (energy, resources, marine and media, among others) and growth in AmexGBT's small and medium sized enterprise (SME) business (a focus historically for both AmexGBT and CWT). Increased automation and the leveraging of the AI technologies behind CWT's myCWT platform are also among the other proposed benefits. So what does this proposed merger between travel giants mean for others in the travel industry? What about Expedia (which currently owns 16% of AmexGBT and has a 10-year lodging supply agreement with AmexGBT) and Booking.com (whose corporate travel program is a current partner of CWT and powers CWT's SME business)? Will the combined company only source inventory through one major OTA? Only time will tell. For direct travel suppliers, the additional leverage will make historically challenging negotiations even more difficult.
- **Booking.com Drops "Travel Sustainable" Program.** Following criticism from the Netherlands Authority for Consumers and Markets (ACM), Booking.com announced last week that it had removed its Travel Sustainable accommodation scores from its booking platform. According to the ACM, Booking.com's presentation of the program was misleading and wrongly gave travelers the impression that travel is sustainable. Booking.com now intends to rely on third party certification programs and will provide properties a label when they have received a third-party sustainability certification.
- **DOJ and FTC File Statement of Interest in Algorithmic Price Fixing Case.** This past week the U.S. Department of Justice and Federal Trade Commission filed a joint statement of interest in a pending case against major casino hotel operators alleging that the operators violated U.S. antitrust law by agreeing to use a third party computer pricing algorithm to set room prices. According to the agencies, hotels cannot use algorithms to engage in conduct that is otherwise illegal if done by a real person. The statement clarified two important aspects of U.S. anti-trust law as it relates to the use of pricing algorithms. First,

claimants do not need to prove that competitors spoke directly, particularly when an algorithm provider that works with the competitors is alleged to be acting in concert. Second, an agreement among competitors to use a pricing algorithm is unlawful, even if the competitors retain some pricing control. This isn't the first time that one or both agencies have intervened in cases involving pricing algorithms. In recent cases involving the real estate industry and meat processing industry, the agencies challenged competing firms' use of pricing algorithms. A copy of the agencies' joint statement is linked to our story below.

What an Amex GBT-CWT Merger Means For Expedia and Booking.com

March 28, 2024 via Skift

Corporate travel could get complicated: Expedia Group has a big stake in Amex Global Business Travel. Booking.com is partners with CWT. What happens to those relationships if the merger between Amex GBT and CWT goes through? Amex GBT CEO Paul Abbott specifically noted CWT's ties to Booking.com for Business as ...

Putting a spotlight on sustainability in the STR space

March 28, 2024 via Phocus Wire

Criticism of Booking.com's "Travel Sustainable" program by regulators in the Netherlands, and the OTA's subsequent decision to prioritize third-party certifications, highlights the need for clear, relevant environmental claims for accommodations.

US DOJ, FTC weigh in on hotel room algorithmic price-fixing case

March 28, 2024 via foster.com

The US Department of Justice and the Federal Trade Commission led a statement of interest in a case alleging that competing casino hotels violated Section 1 of the Sherman ...

Google enhances generative AI trip planning - without ads for now

March 27, 2024 via Phocus Wire

The suggested itineraries will pull ideas from sites across the web and include things such as reviews, photos and other Google Business profile details for more than 200 million places

around the world.

Booking.com drops sustainable travel program

March 26, 2024 via Phocus Wire

Booking.com has removed its “Travel Sustainable” badge recognizing properties for sustainability efforts following discussions with the Netherlands Consumer and Markets Authority.

Amex GBT’s Big CWT Deal Would Add Scale but Faces Scrutiny

March 25, 2024 via Business Travel News

American Express Global Business Travel’s newly announced acquisition of rival CWT would be a merger of giants but might not face the regulatory scrutiny that has quashed recent major mergers in the travel industry.

Trip.com Group makes additional investment in PMS company Smart Order

March 25, 2024 via Phocus Wire

Also investing in this round is Chinese social media platform Xiaohongshu, which began working with Smart Order in 2020 and will now expand its offerings for hospitality clients to use its platform for promotions and sales.

FTC Announces April 24 Hearing on Proposed Junk Fees Rule

March 21, 2024 via Pymnts.com

The Federal Trade Commission (FTC) will hold a virtual hearing on April 24, allowing interested organizations to provide oral statements on the agency’s proposed rule to prohibit junk fees. The hearing will address the FTC’s proposed Rule on Unfair or Deceptive Fees, which was announced in October 2023, the agency ...

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