

The Race to Reinvent Online Travel

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Good Sunday morning from Seattle (actually, about 180 miles south of Seattle at one of Marriott's new [Post Card Cabins](#) in Glennwood, Washington) . . . Our weekly Online Travel Update for the week ending Friday, October 10, 2025, is below. This week's OTU includes recent product updates from both Expedia Group (Hotels.com) and Booking Holdings (Booking.com) as well as several perspectives on the major "app" announcement that came out of last week's OpenAI Development Conference. Enjoy.

- **Hotels.com Introduces New "Immediate" Loyalty Program Feature.** Expedia Group's Hotels.com has introduced a new loyalty feature (Save Your Way) that allows members of Expedia Group's loyalty program, One Key, to use loyalty program discounts immediately when booking on Hotels.com or redeem them later for a booking on Hotels.com, Expedia or VRBO. Hotels.com claims that the feature is a first of its kind. According to Expedia, early results suggest that the new feature is proving most popular among business travelers who elect to use the discount immediately. Here's my immediate reaction . . . **This is simply rate discounting, and for many suppliers, unauthorized rate discounting.** Bigger picture, will this new discount appear on search and meta search site results? If yes, how do suppliers handle the resulting parity fall out? Finally, how are competing intermediaries likely to react to this new feature? Time to check those contracts everyone.
- **Both Expedia and Booking.com Introduce New AI Powered Features.** Both Expedia and Booking.com introduced last week a suite of new AI features for both travelers and the platforms' supplier partners. Among its many announced new features, Booking.com has introduced Smart Messenger and Auto Reply to "improve" communications between suppliers and their guests. Expedia has announced Lodging Sponsored Listings API, a new advertising tool for Expedia's B2B partners.
- **OpenAI Partners with Expedia and Booking.com to Launch ChatGPT Apps.** The big announcement in online travel last week came out of OpenAI's annual development conference on Monday. ChatGPT has become an app "platform" open to third party developers. As part of the announcement, Expedia and Booking.com both announced new ChatGPT apps (with a TripAdvisor app soon to follow) that allow users of the AI platform to browse, select and ultimately book accommodations on the ChatGPT platform. (As we have noted in prior [Updates](#), the inability to actually book travel without leaving a chosen AI platform has been noted in several studies as a source of frustration for AI users generally) To access the OTAs' content, users must first type in the name of the app (e.g., "Expedia" or "Booking.com") into their prompt or, and this where things get really interesting, the platform will suggest an app that the platform believes is most responsive to users' prompt if no app is specified. Connectivity between ChatGPT and the OTAs is provided via Model Context Protocol (MCP). The offerings are currently available to ChatGPT users (Free, Go, Plus and Pro plans) outside the EU. Industry reactions to the announcement have been mixed -

from wild hysteria to shoulder shrugs. From my perspective, the need to summon the app in advance is definitely a drawback (and likely means that the announcement is not the game changer that many initially thought it might be). The scary factor here is the fact that ChatGPT will choose between the competing apps in the absence of a specific summons. How does ChatGPT choose between the competing apps? Will ChatGPT eventually monetize this choice (e.g., whomever pays ChatGPT the most)? Are the two (soon to be three) apps the only sources of content to respond to users' prompts? Our friends at Seattle's own *Geekwire* offer an interesting perspective on the announcement and the potentially perilous position that Expedia now finds itself.

- **Perplexity Launches Comet with Expedia.** Also last week, AI platform Perplexity (as I've noted, one of the most interesting AI platforms for the travel industry) announced the launch of a new AI browser and AI assistant, Comet. Expedia Group joined the launch as one of the browser's initial launch partners and is offering a first-of-its-kind incentive (Silver status on Expedia's One Key loyalty program) to travelers to download the new browser. Users of the new browser and assistant will also be able to search, select and book travel without leaving the Perplexity platform (which is consistent with Perplexity's earlier announced partnerships with TripAdvisor and Selfbook).
- **Questioning Airbnb's Sincere Interest in Hotels?** Recently posted job openings suggest that you might want to think otherwise. For those of you have been part of my recent AI and distribution presentations, Airbnb is one of the platforms I'm watching most closely in the months ahead.

Have a great week everyone.

[Hotels.com Lets Loyalty Members Use Discounts When Booking or Save Rewards for Later](#)

October 9, 2025 via Skift

This isn't a new loyalty program for Hotels.com, but a double-edged feature that may be attractive. The former book 10 nights and get one night free was very popular, but likely too expensive for the company.

[Booking.com Debuts Agentic AI Innovations, Adding to its Robust Suite of GenAI Tools for Customers](#)

October 9, 2025 via Hospitality Net

Booking.com has announced the launch of its first customer-facing agentic AI innovations: Smart Messenger and Auto-Reply, designed to make partner-to-guest communication faster, streamlined, and more intuitive. Building on the company's expanding suite of GenAI-powered solutions, ...

[Expedia Group B2B Supercharges Partner Growth With New AI-Powered Trip Planner and Multiple APIs](#)

October 9, 2025 via Expedia Group

During its EXPLORE Connect B2B event for APAC partners, Expedia Group unveiled a new suite of AI and machine learning-powered tools designed to help partners drive speed, scale and personalization. Highlights include Smart Trip AI™, a new trip planning tool that provides hotel and activity inspiration, and the piloting of the Lodging Sponsored Listings API, a new ...

Hotels.com Introduces "Save Your Way" Allowing Members to Save Member Discounts as Rewards

October 9, 2025 via Hotels.com

Hotels.com has launched Save Your Way, a new feature that allows travelers to choose how they save on bookings-either through immediate discounts or by banking rewards for future trips. The program, available on eligible Member Prices properties, ...

ChatGPT Brings Apps Into Chat, Starting with Expedia and Booking.com

October 7, 2025 via PhocusWire

OpenAI said the system is using Model Context Protocol (MCP) to enable ChatGPT to connect to external tools and data.

New Platform, Familiar Risks: Zillow and Expedia Bet on OpenAI's ChatGPT Apps Rollout

October 7, 2025 via GeekWire

Zillow and Expedia were among the first companies to launch apps inside OpenAI's ChatGPT this week, securing early positions in what analysts are already calling the potential "Windows of AI." The move puts the iconic Seattle brands in a new ecosystem with more than 800 million weekly users, making them ...

Airbnb Ramps Up Its Hotel Biz With Global Job Openings

October 7, 2025 via Skift

Airbnb's bid to vastly expand its hotel business will be labor intensive and a years-long effort. The job openings it is advertising are just the start.

OpenAI and the Race for AI-Driven Commerce

October 7, 2025 via Tech Crunch

OpenAI held its annual dev day on Monday, where the company rolled out its plan to build apps into ChatGPT. The demo was impressive, showing how programs like Spotify and Figma can be called or discovered without leaving the ChatGPT window. With so much of the tech world barreling towards ...

Expedia Partners with Perplexity for Comet Launch

October 6, 2025 via PhocusWire

Expedia is offering Silver status in its OneKey loyalty program in exchange for users downloading Comet's recently launched browser.

Expedia Leases Nearly 50,000 SQFT of Office Space in North San Jose

October 6, 2025 via The Registry

Travel giant Expedia is planting its flag in the heart of Silicon Valley, leasing nearly 50,000 square feet of office space in North San Jose as part of a strategic push to attract top engineering and artificial intelligence talent. According to industry reports, the Seattle-based company ...

Google Flight Deals is Live: New Ways to Save on Travel with an Assist from Artificial Intelligence

September 23, 2025 via The Points Guy

Google just launched Flight Deals, a new artificial intelligence-powered search tool within Google Flights.

I've been testing it out, and while it's not perfect, it's another great tool from the company that has what I consider to be the very best flight deal tools in the market.

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Authored by

[Greg Duff](#)

[Principal|Seattle](#)

[206.816.1470](tel:206.816.1470) greg.duff@foster.com