

The Unfinished Revolution: Why AI's Promise for Travel Remains Mired in Power Struggles

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Good Saturday afternoon from Seattle . . . Our weekly Online Travel Update for the week ending Friday, November 21, 2025, is below. Google captured much of the industry's attention and imagination early in the week with its announcement of new AI-enabled travel booking tools, but it then spent much of the remainder of the week walking back its travel industry intentions. Never a dull moment. Enjoy.

Trump Administration to Challenge State Regulation of AI. For those of you who have seen my presentation on AI and its effects on the travel industry, you will likely recall the uncertainty that I expressed about future regulation of AI, particularly at the state level. While there are numerous examples of states legislating in this area (Colorado being the example that I tend to discuss most in my presentations), the future of those efforts is in jeopardy. Having failed to include language prohibiting state regulation of AI generally in its "Big Beautiful Bill," the Trump administration is now considering an executive order directing the Department of Justice to create an "AI Litigation Task Force" to sue states for adopting AI legislation or regulation that allegedly violates federal law, including Constitutional protections around free speech and interstate commerce. The order also directs the Department of Commerce to explore options for withholding federal funds from states that legislate in the AI arena and tasks advisors to the administration to draft federal legislation establishing a federal regulatory framework for AI. President Trump is expected to sign the executive order as early as this next week. Bottom line, don't expect to see meaningful US regulation or oversight of AI any time soon.

Travelers Increasingly Look to OTAs to Start Their Hotel Searches. In a report released this past week, Siteminder shared the results of its recent study of global travelers (12,000 travelers across 14 countries) and their booking and travel preferences. A complete copy of the report is available in the story below. A couple of key takeaways . . .

- Travelers are now more likely to begin their search for hotels on OTAs (26%) versus search engines (21%)
- Of those travelers who begin their search with OTAs, an increasing number (18%) elect to book direct (3.3% increase over last year)
- Those using AI as a first step in their exploration has increased fourfold from 1% to 4% (and even higher among younger demographics), though those wanting AI-powered capabilities as part of their search (including price monitoring) has increased significantly (now 80%).

Consumer Class Action to Move Forward Against Booking.com. Separate and apart from the pending class action by European hoteliers against Booking.com, the Consumer Competition Claims Foundation

("CCC") and Consumentenbond announced plans this past week to move forward after failed settlement discussions and to take their claims to a Dutch court. The claimants are demanding that Booking.com stop its alleged abusive and misleading practices and compensate Dutch consumers for damages suffered. The potential class includes all Dutch consumers who booked hotel rooms online through Booking.com or other online platforms. As of the date of last week's announcement, 267,000 people had registered to be part of the class.

Google Launching AI Mode Flight and Hotel Booking Tools. In today's Update, we offer several stories (including Google's own press release) detailing Google's announcement this past week of several new travel related tools, including, most notably, the upcoming release of new Google AI mode agentic booking tools that allow users to book reservations for flights and hotels. The announcement comes on the heels of Google's recently announced agentic booking tools for booking restaurant reservations, buying event tickets and making beauty and wellness appointments. While Google is still developing the new tools (an official launch date was not provided), it did provide some details about the new tools and the anticipated user experience (which from this person's viewpoint, sounds a lot like a natural language facilitated metasearch platform) . . .

- Google is working with industry partners Booking.com, Expedia, Marriott, Choice, IHG and Wyndham in developing the new tools. Google expects to announce additional industry partners ("of every size" including aggregators) at the time of the launch.
- Users will be able to select among identified travel partners based on price and other attributes.
- Booking flows, payments, etc. still need to be worked out, though Google made clear that industry partners will serve as the merchant of record and will manage / service existing bookings.
- Google wants to incorporate users' previous interactions with AI Mode into the booking tools and user experience (e.g., preference for luxury travel, member of particular loyalty programs, etc.).

Following the announcement, both industry pundits and investors raised questions about the effects of the new Google tools on existing OTAs, which leads us to our final featured story below.

Google Walks Back Industry Intentions Following Latest Product Announcement. Facing questions about its long term industry intentions and possible OTA (also known as ADVERTISERS) disintermediation (and loss of market value) following its announcement of forthcoming agentic flight and hotel booking agents, Google was quick to clarify (walk back) its intentions. In a follow up interview with Skift, Google's vice president of engineering for Travel and Local, Julie Farago, tried to clarify Google's intentions - "Google has no intention of becoming an online travel agent." According to Farago, even with the introduction of the new AI tools, users will continue to work with their partner of choice (whether OTA or direct channel) as they do now with standard search.

All of this leads the skeptic in me to question whether AI will really be the game changer that it is often promoted to be. Yes, it may present a far more useful and powerful form of search allowing users to access and organize content in ways never before seen, but will the dominant (and likely, most trusted) AI players

really do or try anything that disrupts the current status (and financial benefits) of online search and booking? We know that the OTAs are working hard to ensure that outcome. Regardless, the next months and years will definitely be interesting. I love this job.

For those of you celebrating Thanksgiving, I hope you and your families have a wonderful holiday. Our next Online Travel Update will be on Friday, December 5. Have a great two weeks.

Trump Takes Aim at State AI Laws in Draft Executive Order

November 20, 2025 via Wired

US President Donald Trump is considering signing an executive order that would seek to challenge state efforts to regulate artificial intelligence through lawsuits and the withholding federal funding, WIRED has learned. A draft of the order viewed by WIRED directs US Attorney General Pam Bondi to create an "AI Litigation ...

OTAs Overtake Search Engines as Travellers' First Stop for Finding Hotels

November 20, 2025 via The Hotel Magazine

Online travel agencies (OTAs) have overtaken search engines as travellers' primary starting point for hotel discovery, according to SiteMinder's Changing ...

Google Clarifies Its Agentic AI Booking Plans: 'No Intention of Becoming an OTA'

November 20, 2025 via Skift

Google's tease - that it's working on an agentic tool for flights and hotels - raised tough questions for partners. Now it's clearing the air about its expanding role in travel booking.

Hotel Adverts Banned Over Misleadingly Cheap Rooms

November 19, 2025 via BBC

Adverts by four of Britain's biggest hotel and travel firms have been banned for stating misleading minimum prices for rooms. The Advertising Standards Authority (ASA) upheld complaints against the Hilton hotel group, Travelodge, Booking.com and Accor over their use of eye-catching so-called "from" prices. The watchdog found only a small ...

Adverts for Booking.com and Three Major Hotel Chains Banned Over Misleading Prices

November 19, 2025 via The Independent

Four major players in the travel industry have had their adverts banned by the Advertising Standards Authority (ASA) for misleading customers.

Google Expands AI Capabilities to Include Hotel and Flight Bookings

November 19, 2025 via Hotel News Resource

Google Expands AI Capabilities to Include Hotel and Flight Bookings Google is expanding its AI capabilities to include hotel and flight bookings, building on its existing agentic booking features for restaurants, events, and wellness appointments. The company is collaborating with industry partners to create a seamless experience, with plans to ...

Booking Summoned to Dutch Court in Planned Class Action

November 18, 2025 via MLex

Booking.com has been summoned to court by a planned class action in the Netherlands. Consumer Competition Claims Foundation and the Consumentenbond said they had tried to reach an agreement with the reservation platform out of court but ...

Google Is Building Agentic Travel Booking, Plus Other Travel AI Updates

November 17, 2025 via Skift

Truly agentic travel tech is complicated and all the major travel brands are working on it. Now Google aims to plant a flag in this space. Google is developing an agentic tool for booking flights and hotels, the company said Monday, as it unveiled several new travel features ...

Hotel, Flight Bookings Coming to Google's AI Mode

November 17, 2025 via PhocusWire

The search giant announced Monday that it is partnering on the initiative with Expedia, Booking.com, Marriott and other industry players.

Trip.com Group Reports International OTA Bookings Growth in Q3

November 17, 2025 via PhocusWire

The OTA said inbound travel bookings increased 100% in Q3 compared with the same period in 2024.

New Ways to Plan Travel with AI in Search

November 17, 2025 via Google

It's holiday travel season! Whether you're visiting family or just dreaming about next year's big vacation, now is a great time to start planning your next trip. And thanks to our latest AI upgrades, Search can handle some of the heavy lifting: New AI-powered features can help you build the ...

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