

Travel Tidbits: Breaking News and Insights from the Online Travel World

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Good Sunday morning from Seattle . . . Our weekly Online Travel Update (my last for the next 3 months) for the week ending August 2, 2024, is below. Last week was a busy week in the online travel industry with second quarter earnings releases, junk fee updates and important competition announcements in the EU and UK. Enjoy.

- **Highlights From Booking Holdings Second Quarter Earnings Release.** I won't go into financial details from this past quarter's release (that's for the far more qualified analysts), but I will note a couple of my takeaways from the recent earnings release call (see attached transcript). First, a definite focus on loyalty (Booking.com's Genius program) and the noted increase (15% increase YOY) in Genius benefits (aka discounts). It wasn't that many years ago that I recall CEO Glenn Fogel dismissing the need for a loyalty program. I chuckled when Glenn described the best part of the program - Booking pays nothing for it (suppliers pay for it all). Second, Glenn's and CFO Ewout Steenbergen's opening remarks and the following analyst questions completely ignored Booking.com's ongoing regulatory challenges in the EU - the DMA, recent Spanish fines, pending investigation in Italy, etc. Not a single question about the anticipated effects of these ongoing developments. What? Third, how little was said (other than Glenn's general optimism about and support for the platform) about Booking Holdings' B2B programs - Booking.com, Getaroom and Rocket Travel.
- **Are We Closer to a National "Junk Fee" Standard?** It appears so, yes. This past week saw the United States Senate Committee on Commerce, Science and Transportation give its approval to the Hotel Fees Transparency Act of 2023. The bi-partisan bill now moves to the full Senate for consideration and a vote. If approved, the Senate version of the bill would then be reconciled with the previously passed House version (which passed out of the House back in June) and forwarded to the President for signature. Before passing out of the Senate Committee, the bill was amended (at the urging of the Travel Tech Association and its members) to add language providing distribution platforms limited protection (a presumption) in the event hoteliers fail to provide accurate junk fee information.
- **Spanish Authorities Levy Fine Against Booking.com.** Much of last week's attention (and industry reports) was focused on the Spanish competition authorities' decision to fine Booking.com £413.24 and to impose certain "behavioral" modifications for abusing its market position over the past 5 years. The practices that led to the fine include (1) imposing direct channel rate parity obligations while reserving the right to unilaterally adjust booking prices, (2) providing hoteliers inadequate information about

participating in Booking.com's Preferred, Preferred Plus and Genius Programs and (3) using the total number of reservations as a factor in determining a hotel's ranking on the platform. The modifications imposed by the Spanish authority are intended to address the "abusive" behavior. Booking.com intends to appeal the fine arguing that the DMA is the proper forum for raising and uniformly resolving these types of issues across the EU (and not on a state by state basis).

I hope everyone enjoys the remainder of their summer. See you again in the fall.

Booking Holdings touts alternative accommodation growth, success on social media

August 2, 2024 via Phocus Wire

Booking Holdings said its alternative accommodation business is growing faster than its overall business and now has 7.8 million listings globally, up about 11% year over year.

U.S. Congress edges closer to passing hotel 'junk fee' transparency laws

August 2, 2024 via The Points Guy

Sabre raises 2024 outlook as Q2 results exceed expectations

August 1, 2024 via Phocus Wire

Sabre's Q2 revenue was \$767 million, with about 90% of that attributed to its Travel Solutions business that includes distribution and IT services for suppliers and buyers.

Travel Tech Association Praises Senate Commerce Committee Vote on S.2498, the Hotel Fees Transparency Act of 2024

July 30, 2024 via Travel Tech

The Travel Technology Association (Travel Tech) issued a letter of endorsement for an amendment to S.2498, the Hotel Fees Transparency Act of 2024, offered by Senator Amy Klobuchar (D-MN) and supported by Senator Jerry Moran (R-KS). The amended bill was reported favorably by U.S. Senate Commerce Committee today.

Spanish regulators fine Booking.com €413M

July 30, 2024 via Phocus Wire

Spanish authorities said Booking.com has violated competition laws by having an "unfair imbalance" in its relationship with hotels in the country and it has prevented other OTAs from "entering the market or expanding."

U.K. regulator to investigate Amex GBT acquisition of CWT more closely

July 30, 2024 via Phocus Wire

The Competition and Markets Authority in the U.K. has expressed concern that the merger could impact quality of service, pricing and/or lead to reduced innovation for the business travel customers of large corporations.

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