

Travel Trends Under the Spotlight: Google, Booking, and Loyalty Programs

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Good Sunday morning from Seattle . . . Our Online Travel Update for the week ending Friday, December 13, 2024, is below.

Google and its "efforts" to comply with the DMA again garnered most of the industry's attention. As I said last week, expect this story to continue well into 2025. *Skift* also provided a helpful status update on federal efforts around junk fees. With the upcoming change in administrations in DC, I don't expect to see any real progress federally around junk fees for some time (thus leaving open the door for states to regulate the issue themselves on less than a uniform basis (e.g., see Minnesota's new junk fee requirements, which take effect in the New Year)). Finally, airline loyalty programs continue to be under the microscope. Why, you ask, should we care about airline programs? The short answer is that airline programs and the rules that govern them (even possible new rules) are instructive when creating or operating any other form of loyalty program - including hotel programs. Enjoy.

- **Google's Latest Display Changes Draw Criticism from Platforms and Hoteliers.** In its ongoing efforts to comply with the European Digital Markets Act (DMA), Google recently tested changes to its display of hotel search results that removed its interactive map and associated free booking links; other links to intermediary booking platforms (the traditional "blue links") remained. According to Google, the changes, which were conducted in only three European countries, resulted in a significant drop of traffic to hotels while traffic to the intermediaries remained largely constant. Google's announced results come just weeks after a group of booking intermediaries criticized Google's compliance efforts.
- **Booking Holdings Expects \$450M in Annual Savings from Organizational Changes.** The planned changes, which were announced earlier this year, will include job cuts at flagship, Booking.com, which alone are expected to produce over \$100M in annual savings. Additional savings are expected from modernizing processes and reducing their real estate portfolio.
- **Airline Loyalty Programs Under the Microscope.** Airline loyalty programs are currently the subject of several ongoing investigations, including investigations by the Department of Transportation, the Justice Department and the Consumer Financial Protection Bureau. The investigations (some of which we have written about previously) are largely focused on program changes that devalue the programs' awards or benefits. While the future of these investigations may be in jeopardy following the recent election, the rising chorus of consumer complaints regarding the programs is likely to continue. More than ever,

frustrated consumers have taken their concerns to social media channels, and trusted loyalty program resources (e.g., The Points Guy, Point.me) have questioned recent program changes. For hoteliers, there are many potential lessons here, most importantly that plans to amend existing programs (particularly, any direct or indirect devaluing of credits) must be considered in light of likely (and possibly, extremely vocal) consumer backlash.

As the year draws to a close, I suspect we'll find fewer and fewer "Update worthy" stories to share. You may not hear from us again until our annual "year in review" Update, which we usually circulate shortly after the New Year. If we don't connect before, I hope everyone has a wonderful holiday season. Here's to a great 2025 for you and your families.

Google says feedback shows old search result format is bad for hotels

December 12, 2024 via Reuters

A return to the format of 10 blue links in search results from years ago could reduce user traffic to hotels, Google said on Thursday, as it seeks to balance demands from price comparison websites and hotels in trying to ...

Sabre CEO Kurt Ekert talks intermediary opportunity and company growth

December 12, 2024 via Phocus Wire

Sabre CEO and president Kurt Ekert doesn't believe AI is a threat to the global distribution system and can't see the demise of traditional airline distribution any time soon.

Google ends hotel search test after compliance with EU law backfires

December 12, 2024 via Yahoo News

Google has ended an experiment in parts of Europe in which it removed a number of offers from its hotel search results to comply with the European Union's Digital Markets Act (DMA). The company said the test showed that removing direct booking links, as competitors are calling for, would harm ...

An FTC Rule on Junk Fees Seemed Like a Sure Thing. There Still Hasn't Been a Vote

December 11, 2024 via Skift

There has been a push toward more disclosure of fees and that's likely to continue. But a rule from the new FTC is unlikely. It's been more than two years since the Federal Trade Commission said it was exploring a rule to crack down on junk fees. But ...

Booking expects \$450M in savings through "transformation"

December 11, 2024 via Phocus Wire

Booking Holdings CFO Ewout Steenberg said the cost savings would help the company grow its top line, reduce complexity and reinvest in growth initiatives.

Are Loyalty Programs Fair? The Backlash Against Airlines' Most Valuable Asset

December 8, 2024 via Skift Travel News

Airlines don't release much data on their massively profitable loyalty programs. But scrutiny from the government and consumers have led some to wonder, are these programs worth it? Share Loyalty is big business for airlines. In 2023, American Airlines raked in around \$6.5 billion from AAdvantage alone - ...

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