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# OTA & Travel Distribution Update: Tripadvisor explores consumer subscription program; Airbnb faces potential class action over refund and cancellation policies; leading OTAs issue third-quarter earnings releases

By Greg Duff on 11.13.20 | Posted in OTA Update

It's earning season, and this week's Update features a number of stories detailing the quarterly earnings releases from several of the largest online travel agencies (OTA) and global distributions system (GDS) companies. We've also included copies of the quarterly releases for both Expedia and Booking.com. Enjoy.

**Tripadvisor Explores a Consumer Subscription Program**
*("Tripadvisor to Launch Its First Subscription Plan for Travelers," November 6, 2020 via Skift Travel News) (subscription may be required)*
Last week, Tripadvisor CEO Steve Kaufer announced during the company's third-quarter earnings call that the review/metasearch/booking site is planning to introduce a paid consumer subscription program that would provide subscribers discounts on hotels and attractions, and other possible benefits (e.g., unique experiences). Although details of the program are still being finalized, Kaufer claimed that the program would be complimentary to suppliers' existing loyalty plans. This new consumer-oriented program would supplement Tripadvisor's existing subscription plans for hotels and restaurants, including the recently introduced reputation management program.

**Airbnb Facing Potential Class Action Over Refund and Cancellation Policies**
*("Airbnb Accused in Lawsuit of Ripping Off Hosts and Guests With Covid Refund Policy," November 6, 2020 via Skift Travel News) (subscription may be required)*
Last Thursday, a group seeking class action status filed claims in San Francisco against Airbnb alleging that the rental platform illegally profited from the unlawful withholding of refunds from travelers while at the same time violating its rental contracts (and embedded cancellation policies) with hosts. Although the suit is unlikely to have any real effect on Airbnb's planned IPO, it does create some noteworthy headlines. It will be interesting to see whether similar unilateral changes made by Expedia and Booking.com to their cancellation/refund policies

back in March of this year will attract similar litigant attention in the future.

**Earnings' Highlights**

*("Booking Holdings Sees Short-Term Hit to Profit Margins From Connected Trip Strategy," November 5, 2020 via Skift Travel News; "Tripadvisor sees signs of recovery, reports positive EBITDA in Q3 2020*," November 6, 2020 via Phocus Wire; *"Expedia Group Q3 'better than expected,'" Vrbo up YoY*, November 5, 2020 via Phocus Wire; "*Expedia Group revenue falls 58% despite bright spots in 'bumpy and unpredictable' travel market*," November 4, 2020 via GeekWire) (subscription for Skift Travel News may be required)

Some highlights for me from last week's third-quarter earnings releases include:

- **Expedia and Booking.com.** Although significant challenges continued onto the third quarter (i.e. year-over-year bookings and gross revenues being down), they are beginning to moderate. For Booking.com, approximately one third of all bookings in the third quarter were from alternative accommodations
- **Expedia and its cost-cutting measures.** Previously announced annual cost cutting goals of between $300-$500 million are being exceeded, and actual savings may reach between $700- $750 million.
- **Expedia, Booking.com and Tripadvisor on short-term rentals.** Vacation and short-term rentals continue to lead the rebound.
- **Tripadvisor.** Restaurant results are near pre-COVID levels.

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Other news:

**Trivago Says Soft Demand Ongoing, Hopes for Travel Recovery in Mid-2021**

*November 3, 2020 via Phocus Wire*

Trivago is seeing marketplace volatility again in Europe after a brief increase in consumer volume in the summer. Reporting third-quarter 2020 results, the hotel metasearch company says increases over that period were driven by nearby trips to nature spots in "developed Europe."