

Duff on Hospitality Law

## **Online Travel Update: Trivago reports a challenging 2020, but expects a positive 2021; Expedia reports disappointing year-end results; 'Clear' emerges as new digital health passport leader; unpaid refunds threaten Lastminute.com**

By Greg Duff on 2.19.21 | Posted in Online Travel Update

For readers who have been following our Online Travel Updates since its inception, we thank you for your continued support. In this year of 2021, June will mark our six-year anniversary of publishing these weekly updates dedicated to keeping our readers up-to-date with legal, regulatory, and market and industry trends related to the online travel space. We hope you continue to find them informative and helpful as the online travel industry keeps evolving.

This week's Update includes several stories spotlighting a few Expedia Group companies – Expedia, Trivago and Vrbo. We've also included another story on the so-called "digital health passports." Whether you agree with their use or not, we suspect the passports will be part of travel (and life) for the foreseeable future. Over the past several weeks, we've spent a lot of time with clients considering the role of COVID-19 testing, the pros and cons of offering testing to guests as an onsite amenity, and how best to leverage the test results (and soon vaccination records) via the many available digital health passports. This is one part of our practice that we would have never anticipated delving into just 14 months ago. Enjoy.

### **Trivago Reports a Challenging 2020, But Looks Ahead to a Positive End to 2021**

*("A New Trivago Will Have More Booking and Travel Inspiration," February 10, 2021 via Skift Travel News) (subscription may be required)*

*("Trivago sees revenue slump 70% in 2020, eyes "normalcy" in 2021," February 10, 2021 via Phocus Wire)*

COVID-19's fourth quarter resurgence took a heavy toll on the travel metasearch site, Trivago. Last week, Trivago reported its fourth quarter earnings, which included a 79 percent reduction in fourth quarter revenue and a 70 percent reduction in revenue for 2020. Trivago ended the year with a fourth quarter adjusted EBITDA loss of €3.4 million (versus a positive €18.4 million in 2019) and a full-year adjusted EBITDA loss of €12.3 million (compared to a positive \$70 million for 2019). Notwithstanding the significant downturn, Trivago remains optimistic that a

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return to normalcy may be underway by the second half of 2021. Buoyed by Trivago’s recent purchase of online travel agent [Weekend.com](#) and the upcoming launch of its new local trip offerings, Trivago believes that its recent diversification beyond traditional metasearch and new product offerings will allow it to compete for a broader audience – not just those ready to book the lowest available price.

#### **Expedia Reports Year-End Results**

*(“Expedia’s 2020 revenue sinks 57% as pandemic continues to roil travel industry,” February 11, 2021 via GeekWire)*

Highlights from Expedia’s fourth quarter earnings report include a 57 percent drop in annual gross revenue (over 2019) and a 66 percent decline in annual gross bookings (over 2019). The OTA (online travel agency) reported a loss in each quarter of 2020 after posting profitable quarters in the last three quarters in 2019. According to Expedia CEO, Peter Kern, Expedia’s fourth quarter “did not show any real sequential progress other than some signs of modest improvement around the holidays that carried into early part of 2021.” Notwithstanding these disappointing results, Expedia’s stock price has recently rebounded to pre-pandemic levels, though, even at pre-pandemic stock prices, Expedia’s market capitalization of \$21 billion pales in comparison to Airbnb’s current capitalization of nearly \$130 billion.

#### **Is Clear the “Clear” Winner Among Competing Digital Health Passports?**

*(“NFL, Restaurateur Danny Meyer Back Digital Health Passports Through Investment in Clear,” February 8, 2021 via Skift) (subscription may be required)*

Over the last few weeks, our Updates have included stories about the many competing digital health passports striving to become the go-to health status and verification application. Last week, identity security company, Clear, took a huge step toward achieving that goal with investments made by respected restaurateur, Danny Meyer, Liberty Media, Michael Jordan and the NFL totaling nearly \$100 million. Clear’s new Health Pass connects members’ identities with important COVID-19 related information, including vaccination history. The Health Pass has already been adopted by the NHL, MGM Resorts, New York’s 9/11 Memorial and nine NBA teams.

#### **The Prospect of Traveler Refunds Threatens OTA’s Existence**

*(“Lastminute.com faces legal action over holiday refunds,” February 12, 2021 via Yahoo Finance)*

Online travel agent [Lastminute.com](#) is the latest OTA to fall within the U.K.’s Competition and Markets Authority’s (CMA) sights. Facing consumer pressure for failing to refund amounts paid for travel packages canceled as a result of COVID-19, the OTA agreed late last year to refund approximately £7 million to 9,000 customers. The agreed refund was to be paid by the end of January 2021, but as of January 31, approximately £1 million remained outstanding. According to the CMA, it plans to proceed with court action unless the OTA makes the now overdue

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payments within seven days. Interestingly, Lastminute.com reportedly approached several of its airline partners regarding payment of the remaining refunds, a practice that CMA prohibited. So much for those intermediary booking terms and conditions.

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Other news:

#### **Startup HomeToGo Is Defying Conventional Wisdom in Vacation Rental Search**

*February 10, 2021 via Skift Travel News (subscription may be required)*

Hometogo, a price-comparison search service for vacation rentals, has had a robust revenue stream despite the pandemic. The Berlin-based startup credits its endurance partly to the relative popularity of holiday homes during the pandemic. But its founders also note how their company has relied on a somewhat different business model to traditional metasearch brands to attract both property management companies and consumers to its marketplace.

#### **Expedia Pulls Vrbo Rental Listings From Google to Drive More Direct Traffic**

*February 11, 2021 via Skift Travel News (subscription may be required)*

Expedia Group anticipates that consumers will return to booking travel in large numbers over time, and it aims to make the most of that in a phased marketing plan. The company is focusing on making the most of that effort by building up its own brands rather than others, like Google.

#### **Alternative Lodging for Corporate Travelers Evolves With New Booking Tool**

*February 12, 2021 via Skift Travel News (subscription may be required)*

Alternative accommodation was one the better performing parts of travel last year, as tourists avoided cities and hotels. Now, a booking engine that supplies 3.4 million of these kinds of properties for major online travel agencies wants to go it alone — targeting company travel.

**Tags:** travel, Travel and Technology