

Duff on Hospitality Law

Online Travel Update: Expedia Group and Booking Holdings' Q2 earnings releases witness slight recovery in bookings

By Greg Duff on 8.13.21 | Posted in Online Travel Update

Last week was earnings release week for three of the major online travel platforms – Expedia Group, Booking Holdings and Tripadvisor. This week's Update includes transcripts from the three platforms' earnings calls as well as several leading industry perspectives on the platforms' recent quarterly performance. Enjoy.

A few immediate takeaways from two of last week's earnings' releases...

Expedia Group

(["Expedia Group Q2 revenue tops \\$2B driven by U.S. hotel and vacation rental bookings," August 6, 2021 via Phocus Wire](#)) (["Expedia Awaits Comeback of International Travel to Solidify Market Share Gains," August 5, 2021 via Skift Travel News](#)) (subscription may be required)

- Second quarter revenue increased to \$2.1 billion (a 270 percent increase over the same period last year, though still down 33 percent over 2019)
- Leisure travel continued its rebound in the second quarter, led by North America and in particular, the United States.
- Expedia continues to see softness in international, corporate and "big city" travel.
- Expedia is already seeing the negative effects of the Delta variant with production numbers softening in July over June.
- Expedia has begun ramping up its sales and marketing efforts, with total second quarter sales and marketing expenses (\$1.2 billion) exceeding expenses for the same period last year (2020) by 320 percent.
- Expedia's focus on its core brands continues with eight businesses shuttered or sold since the start of 2020. This past quarter, Expedia officially accepted American Express's offer to purchase Egencia, which is now expected to close by the end of this year (2021).

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Booking Holdings

("Booking Holdings hits \$22B in bookings as latest quarter rides recovery," August 4, 2021 via Phocus Wire)

- Second quarter revenue increased to \$2.2 billion (a roughly 350 percent increase over the first quarter in 2020, but still down 44 percent over 2019)
- Like its major competitor, Booking also began ramping up its sales and marketing efforts this past quarter, with sales and marketing expenses totaling more than twice the amount from the earlier quarter.
- Booking's continued performance rebound was again led by increases in the United States (the strongest performing major country), though improvements in both domestic and international bookings in Europe contributed to the increase. Like its competitor, Booking experienced a slight downturn in July (when compared to June), which Booking attributes to the emerging Delta variant.
- Sixty percent of the total room nights booked through Booking during the quarter were through mobile channels.
- At the end of June, Booking.com reported approximately 28 million accommodation listings, with nearly a quarter of those listings constituting alternative accommodations.
- Booking.com's facilitated payment platform added several (unnamed) "major chains" in the second quarter. In the second quarter, nearly 24 percent of gross bookings were processed through the payment platform (which reflects only a minor increase over the first quarter percentage (22 percent)).
- CEO Glenn Fogel offered few details about Booking's recently reported discounted flash sales effort (see [story](#)).

Other News:

Booking Holdings Sees Connected Trip Strategy as Critical for Post-Crisis Growth

August 6, 2021 via Skift (subscription may be required)

The world's travelers may not all be for the taking by Booking Holdings. The \$86 billion Connecticut-based conglomerate calls itself the "world's leading provider of online travel and related services." But the company still has work to do on its machinery for taking the customers it has and cross-selling them with multiple products — so called connected trips.

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Tripadvisor Hits \$235M revenue, Beats Internal Expectations

August 6, 2021 via Phocus Wire

Tripadvisor is crediting increasing numbers of vaccinations and reopenings in many markets around the world for a major jump in revenue in the second quarter of 2021.

Tripadvisor Finetunes Its Subscription Travel Bet

August 6, 2021 via Skift Travel News (subscription may be required)

Tripadvisor has spent the pandemic changing its tune, metaphorically speaking. For years, the Massachusetts-based company run by co-founder and CEO Stephen Kaufer sang the praises of a model where consumers could read reviews of travel services and then either click away to book them or else book instantly through its site and app. Now the \$5 billion company has moved away from trying to draw the largest audiences possible to instead woo its most loyal fans into coughing up money for exclusive discounts and perks on travel.

Google Launches Attractions Tickets Globally on Mobile

July 30, 2021 via Skift (subscription may be required)

Google has taken a major step into the tours and activities space, and rolled out a tickets feature for local attractions around the world on mobile devices.

Southwest Lawsuit Alleges Skiplagged and Kiwi Collude to Deceive Flyers

August 3, 2021 via Skift (subscription may be required)

Citing multiple flight delays because of the sale of “hidden city tickets,” Southwest Airlines filed a federal lawsuit against New York-based Skiplagged, and alleged that it works “in concert” with Czech-based online travel agency Kiwi.com to deceive the public and illegally use the airline’s fare information.

Vietnamese Tech Conglomerate, OTA Operator Raises \$250 Million

August 2, 2021 via Phocus Wire

Vietnam-based VNLife, a technology company that operates in travel, banking, retail and more, has raised \$250 million in Series B funding. The round is led by General Atlantic and Dragoneer Investment Group, with participation from PayPal Ventures, EDBI and existing investors GIC and SoftBank Vision Fund 1.