

Duff on Hospitality Law

## **Earnings Reports Reveal Surge for Expedia and Booking, While Google's Trial and IHG Innovations Make Waves in Travel - Online Travel Update**

on 11.7.23

It is earnings season, which makes for a longer Update than usual:

- **Expedia Enjoys Strong Third Quarter Results.** While I am still working my way through the recent Expedia Group earnings call transcript, news of the recent quarter has been uniformly positive. Expedia reported strong results (quarterly records in both revenue and EBITDA and a third quarter record in gross hotel bookings (\$18.5 billion)) and even stronger results for its growing B2B business (\$995 million in revenue, up 26% year over year and a quarterly record). During the third quarter earnings call, Expedia CEO, Peter Kern, was optimistic about the prospects for the platform's business now that its unified loyalty program OneKey and technology platform is complete.
- **Booking Holdings Also Enjoys a Strong Third Quarter.** Expedia's largest competitor, Booking Holdings, also enjoyed a record third quarter. Booked room nights and gross booking value (\$39.8 billion) set new quarterly records. Beyond hotel room accommodations, flights featured prominently in Bookings' third quarter results with the platform selling 9 million flights during the quarter.
- **Google's Anti-Trust Trial: The Gift That Keeps Giving.** Over the past month, we have featured multiple stories detailing the testimony of various OTA executives at the ongoing Google anti-trust trial. This past week, the comments of Expedia Group Chairman (and outspoken spokesman), Barry Diller, surfaced in the ongoing proceedings. According to the reports, the comments were made by Diller back in 2019 when he claimed that he was "on the edge of a revolt" over Google's increased monetization (e.g., paid display advertising) of its search results. According to Diller, the increasing numbers of paid ads was punitive to Expedia and anyone else relying on a level search playing field.

- **Another Week and Another Story on Scammers Leveraging Booking.com's Messaging Platform.** This week's story comes to us from Singapore.
- **IHG's Attribute Based Bookings Are Here.** While IHG's effort to offer guests attribute-based booking functionality has long been the subject of industry reports (including our own Update), it appears that the functionality is now available, with new functions coming. Through the IHG app, guests can now book rooms based on their location and view. IHG hotels will soon also be able to offer add-ons (e.g., prepaid parking, food and beverage credits) to guests booking on the app. According to IHG, offering these attributes presents an entirely new revenue opportunity for its properties. It will be interesting to watch how third party platforms respond to attribute based bookings and pricing, which present an entirely new meaning to rate and availability parity.

Have a great week everyone. For those of you attending next week's HSMIA Sales Leader Conference in Long Beach, I hope to see you there. [I will be presenting](#) at the sales leader roundtable.

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#### **Mastercard and Agoda collaborate to streamline B2B payments in travel**

*November 4, 2023 via webintravel*

Mastercard is expanding its partnership with Agoda in a move aimed at B2B payments in the travel and tourism sector. This collaboration seeks to address the long-standing challenges associated with B2B transactions, including legacy payment processes and the need for innovation beyond traditional card payments.

#### **Expedia's Kern: Focus is now on faster growth fueled by years of tech work**

*November 3, 2023 via Phocus Wire*

Expedia Group posted record revenue and profitability in the third quarter of this year and reiterated full year guidance of double-digit topline growth with margin expansion.

#### **Booking Holdings: Record Nights Booked and Middle East Impact**

*November 2, 2023 via Skift Travel News*

Booking Holdings continues to set records post-pandemic, and growth is projected to keep going. -Justin Dawes

#### **American Airlines CEO Defends Direct Selling Push in Face of Travel Agent Complaints**

*November 2, 2023 via Skift Travel News*

American Airlines's top boss Robert Isom feels confident in the carrier's evolving distribution strategy, the most assertive of all the carriers in the Americas. But some travel agents still feel bullied. Selene Brophy Share American Airlines' multi-year changes to its ticket distribution have had contentious implications for travel ...

#### **Riding the Korean Wave with Online Travel Agencies**

*November 1, 2023 via Hospitality Net*

Where else could you catch a hyperfast train from an ancient royal palace to a coastal paradise, lose yourself in a night of karaoke and stay in a hotel with 600-year-old underfloor heating? From the irresistible appeal of K-pop to the majesty of Joseon dynasty architecture and the stunning scenery ...

#### **American Airlines' Spat With Travel Website Kept Alive**

*October 31, 2023 via Law360*

Airlines claiming that Kiwi sold the airline's tickets and displayed American's trademarks and copyright-protected Flight Symbol without permission, finding that Kiwi was within the court's

jurisdiction as it sold tickets to Texas consumers.

#### **Expedia's Barry Diller Threatened 'Revolt' Over Ads on Google Search**

*October 30, 2023 via Bloomberg*

IAC Inc. and [Expedia Group Inc.](#) Chair Barry Diller wrote to senior Google executives that he was "on the edge of revolt" over the search engine's increased number of ads on its results page, pushing down the organic listings.

#### **Scammers con Booking.com users by sending messages through its in-app chat function, Singapore**

*October 30, 2023 via Straits Times, The (Singapore)*

Holidaymakers often snag good bargains when booking hotels or flights on online travel portals, but scammers appear to have recently sniffed out these platforms as lucrative hunting ground for victims. In February, there were at least five reports of phishing scams made to the police linked to hotel room bookings ...

#### **IHG's App Can Book Rooms By Floor Height, View, and More – How It Works**

*October 30, 2023 via Skift*

Mapping each room in thousands of hotels is a huge project, but more undertakings like that are needed to bring the hotel industry into the 21st century. Justin Dawes Share IHG Hotels & Resorts recently rolled out a function that allows guests to find and book rooms based ...

#### **Pattern Insurance Unveils FlexIt: Revolutionizing Cancellation Flexibility for Non-Refundable Bookings**

*October 30, 2023 via PR Newswire*

Pattern, a leading InsurTech innovator specializing in customized embedded insurance and non-insurance products, is thrilled to announce the launch of its groundbreaking service, FlexIt.