

Duff on Hospitality Law

Travel in the AI Era: Embracing the Future of Exploration

on 2.24.25

Good Saturday afternoon from Seattle . . . Our Online Travel Update for the week ending February 21, 2025, is below. If any of our readers still question the profound (dare I say, disruptive) effect that AI will have on online travel (and in particular, distribution), I encourage you to take the time to listen to (or read) the many comments Booking Holdings CEO, Glenn Fogel, in the latest Booking Holdings' earnings call. A transcript of the call is attached. What should we make of Glenn's comments? Do they reflect the unbridled optimism of a CEO who is confident in his company's position to once again leverage the latest and greatest technology (like the many technological developments that preceded AI) to maintain his company's position in online travel? Or, perhaps the comments were offered in anticipation and defense of the participants' inevitable questions (and maybe doubts) about the role of online intermediaries in a post AI world? The stories below in this week's Update seem divided on the issue.

A few key takeaways from Glenn's comments . . .

“Adapting to and leveraging new technologies has been in our DNA from the start, and Generative AI is pushing the pace of technology innovation faster than ever.”

“We see the development and use of AI agents [e.g., Operator] and those agents working with other AI agents as a potential way, to more quickly bring together the different elements of travel into a truly connected offering on our platform.”

“We are also excited to be working with leading Generative AI organizations on their Agentic developments. These collaborations reflect our commitment to staying at the forefront of this rapidly developing field and are consistent with our long-standing approach to work with different sources of new customer traffic.”

“. . . as I mentioned, and we've talked about this in the past, that we're working with all of the major players in the Valley and elsewhere, that we are working together to do things that would be better as togetherness instead of trying to do separately.”

“And I'm just pleased to be in the position we are with all the data we have, with the resource we have, with the people we have, the worldwide network of consumers who trust us, which is also a very big deal.”

I hope you enjoy this week's Update.

- **Booking Holdings Reports Strong Fourth Quarter Results.** Glenn and his team had a lot to be positive about beyond Booking Holdings' AI efforts this past quarter and year. Some highlights for me were . . .
 - Many key financial metrics were at or above the high-end of previous fourth quarter expectations – room nights, gross bookings growth, revenue growth and adjusted EBITDA.
 - Full year financials reflected similar strong growth – gross bookings (10% YOY growth), revenue (11% YOY growth), adjusted EBITDA (17% YOY growth) and adjusted earnings per share (23% YOY growth).
 - Fifty nine percent (59%) of gross bookings at Booking.com are now “merchant bookings” processed through Booking.com’s payment platform.
 - Additional future layoffs are possible as Booking Holdings continues its previously announced Transformation Program.
 - Looking forward, Booking Holdings expects a year of “normalized growth” for the travel industry allowing Booking to deliver constant currency gross bookings, revenue and earnings per share growth at targeted (though lower than 2024) levels.
- **Details on TripAdvisor’s Partnership with Perplexity and OpenAI Revealed.** Will AI become intermediaries’ next customer acquisition channel (like Google, metasearch sites and social media are today)? You bet, at least according to TripAdvisor’s CEO and CFO. In last week’s TripAdvisor four quarter earnings call, both expressed optimism over the recently announced partnership between TripAdvisor and generative AI platform, Perplexity. As part of the agreement, Perplexity licenses TripAdvisor data. According to TripAdvisor CEO, Matt Goldberg, users who come to TripAdvisor via Perplexity are both “incremental” and “high intent.” Also discussed during the earnings call was TripAdvisor’s recent partnership with OpenAI’s agentic product, Operator, which according to Goldberg allows TripAdvisor “to be best-positioned favorably as agentic AI emerges.” According to Goldberg, TripAdvisor expects to make more AI announcements in the near future.

Have a great week everyone.

Travel Tech Hosts Webinar on Decoding Travel: How AI-Powered Tools Can Transform Your Vacation Planning

February 21, 2025 via Travel Tech Association

Travel Technology Association (Travel Tech), a non-profit promoting and protecting the travel technology industry, hosted a webinar for congressional staff members on how generative AI travel tools can improve the travel planning experience. Panelists included Lara Tennyson, Head of US Federal Affairs at Bookings

5 ways autonomous AI agents will redefine travel

February 21, 2025 via Phocuswright

Searching for, booking and experiencing travel, as well as how travel companies operate, are all subject to dramatic change in the coming years as GenAI and digital identity converge.

Booking Holdings' Fogel bullish on agentic AI amid strong 2024 results

February 21, 2025 via Phocus Wire

Booking Holdings reported record revenue of \$23.7 billion in 2024 and saw accelerated growth in room nights for alternative accommodations during the fourth quarter.

Booking Holdings Downplays Concerns That Agentic AI Platforms Will Displace It

February 20, 2025 via Skift Travel News

Are generative AI platforms going to make Booking Holdings irrelevant? That's unlikely. The real issue is to what extent the company's business may suffer. Glenn Fogel, the CEO of Booking Holdings, said he's been at the firm for nearly 25 years, and has heard it all before how ...

Tripadvisor's Perplexity Deal: AI for Customer Acquisition Is Now a Thing in Travel

February 20, 2025 via Skift Travel News

The emergence of AI platforms such as Perplexity, ChatGPT and others could see the travel industry redirect a huge chunk of marketing spend away from Google. Although Google has its own entrant, Gemini. There is now an AI customer acquisition channel in travel, and Tripadvisor officials said they ...

Costco expands travel benefit by rolling out use of artificial intelligence

February 19, 2025 via Fox News

Travelers go viral for revealing US destinations to visit in your lifetime Giselle and Stephen Jiroch of California have been traveling full-time for the last four years. The couple said these U.S. destinations are must-see spots. Costco is rolling out new ways to deliver perks to its customers while tapping ...