

Duff on Hospitality Law

Navigating the Future of Travel: AI Innovations, Record Marketing Investments & Regulatory Shifts

By Greg Duff on 3.3.25 | Posted in Online Travel Update

Good Sunday morning from Seattle . . . Our Online Travel Update for the week ending Friday, February 28, 2025, is below. This week's Update features a variety of stories from a variety of sources, including some new sources. It is often easy to rely on the industry pillars – *Phocus Wire* and *Skift* – both of which do an amazing job of covering the travel world. As our Update continues to evolve, we will continue to look for new sources, new perspectives and new opinions on the stories we believe are most relevant to our readers, including a few perspectives from resources in my own backyard here in Seattle.

For those of you interested, we are attaching a copy of the transcript from Tripadvisor's recent earnings release call. As I noted in last week's Update, Tripadvisor CEO, Matt Goldberg, used the call to share some interesting details on Tripadvisor's recently announced partnership with generative AI platform, Perplexity, as well as its collaborations with other AI platforms.

Enjoy.

- **Another Year and Another Record Broken on Annual OTA Marketing Investments.** Every year we seem to feature the same story. Another year and another OTA annual marketing spend record is broken. According to recent financial reporting, Trip.com, Airbnb, Booking Holdings and Expedia Group spent a combined \$17.8 billion on marketing during 2024, an increase of a billion dollars over 2023 amounts.
- **Amazon Unveils Alexa+.** This past week, Amazon unveiled its latest iteration of its well-known voice assistant, Alexa. Alexa+ combines the voice assistant with, you guessed it, generative AI, to produce “free flowing conversations.” Although the many demonstrations circulated online (as least those that I saw) did not feature travel (they did include booking online restaurant reservations), Amazon claims that the new AI enabled assistant will be able to book travel for users and announced that it was launching the new service with travel partners, Booking Holdings, TripAdvisor, Uber and Fodor's. The service will start rolling out across the U.S. in the weeks ahead and Amazon Prime

members will receive free access to the new assistant.

- **AH&LA Supports Re-Introduction of Federal Junk Fees Legislation.** This past week saw the re-introduction of junk fees legislation in both the U.S. House and Senate. AH&LA issued statements supporting the legislation. You may ask why federal legislation is needed at this point with the FTC's junk fees rule is scheduled to take effect in May. In one word, pre-emption. The FTC's rule does not pre-empt similar junk fee efforts at the state level and allows states to freely adopt their own more restrictive (and often inconsistent) rules.
- **Will the EU's Digital Markets Act (DMA) and Digital Services Act (DSA) Be Enforced Against U.S. Companies?** The last few stories in this week's Update focuses on questions arising in Washington D.C. among President Trump and Republican law makers regarding the EU's allegedly "select" enforcement of the DMA and DSA against U.S. technology companies. The effort gained momentum last week with President Trump's issuance of a new Executive Order stating, among other things, that regulations (like the EU's DMA and DSA) will "face scrutiny from the Administration," and U.S. Representative Jim Jordan's letter to EU Commissioner Teresa Ribera asking her to clarify the DMA's rules. (In each case, echoing the concerns of U.S. tech companies designated under the DMA as "gatekeepers"). These concerns come as the EU Commission is reportedly poised to issue fines against Google for its failure to comply with the DMA. What does this mean for hoteliers hoping to see meaningful EU mandated changes from Booking.com? Will the fear of retaliatory tariffs convince EU regulators to limit or prevent their enforcement of these new rules against U.S. companies like Booking Holdings? Like so much these days, no one knows.

Have a great week everyone.

Online travel giants spent \$17.8B on marketing in 2024

February 28, 2025 via Phocus Wire

The investment to acquire customers and strengthen brand sets a new record for the online giants and demonstrates the ferocious competition for customers in the market.

Seamless Journeys: AI's Rising Role in Coordinating Consumer Travel

February 27, 2025 via Pymnts.com

Artificial intelligence (AI) is making inroads into the travel industry as most consumers now expect seamless travel experiences, and the industry is taking notice. Kayak CEO Steve Hafner told PYMNTS that the company plans to launch AI agents this year to help travelers with

everything from trip searching to checkout.

Amazon's new Alexa+ uses generative AI to personalize conversations and automate tasks

February 27, 2025 via GeekWire

Amazon unveiled Alexa+, a new service that integrates generative AI natively into the company's longtime voice assistant — promising free-flowing conversations, plus the ability to learn user preferences over time to personalize the experience, and autonomously handle tasks such as travel arrangements and activity planning. Alexa+ will be free to ...

OneAir Launches AI-Powered Smart Hotel Price Monitoring to Help Travelers Save on Their Existing Hotel Reservations

February 27, 2025 via EIN Presswire

OneAir, the AI-driven travel platform known for delivering unparalleled savings on hotels and flights, has launched Smart Hotel Price Monitoring, an innovative AI-powered ...

Southwest Airlines Flights to Be on Expedia

February 26, 2025 via Skift Travel News

The move marks another major shift for Southwest, which had long resisted online travel agencies and encouraged direct bookings as a way to boost customer loyalty. Southwest Airlines flights will be available on Expedia, marking the first time customers can book trips with the carrier through an online ...

Amazon Alexa's AI Upgrade: Book Uber Rides and Plan Travel

February 26, 2025 via Skift Travel News

Like her counterpart at Apple, the well-known voicebot Alexa is getting a total transformation with generative AI. The voicebot Alexa is getting an upgrade that Amazon says will enable it to plan travel, book Uber rides, make restaurant reservations, and more. Amazon released a slew of announcements at

AHLA Statement on Reintroduction of No Hidden Fees Act

February 24, 2025 via Hotel News Resource

The American Hotel & Lodging Association (AHLA) celebrates today's reintroduction of the No Hidden FEES Act by Representatives Young Kim (R-Calif.) and Kathy Castor (D-Fla.), with original cosponsors Representative Russell Fry (R-S.C.) and Kevin Mullin (D-Calif.). "Today's reintroduction of the No Hidden FEES Act is another important step toward a ...

US Congress fears "weaponisation" of DMA against Big Tech

February 24, 2025 via EURACTIV.com Main

The letter further states that two MEPs were in favour of "only" targeting US companies.

The AI on Your Phone Keeps Getting Better - That's a Risk For Travel Companies

February 24, 2025 via Skift Travel News

If the AI built directly into mobile phones allows users to book travel in the future, then will there be a need for third-party travel apps? What happens when the AI on your phone is so good that you no longer need to go to other apps? It ...

US Demands EU Antitrust Chief Clarify Rules Reining in Big Tech

February 23, 2025 via US News & World Report

U.S. House Judiciary Chair Jim Jordan on Sunday demanded EU antitrust chief Teresa Ribera clarify how she enforces the European Union's rules reining in Big Tech, saying they appear to target U.S. companies. The request came two days after U.S. President Donald Trump ...

Exclusive: Google to be hit with EU charges of breaching Big Tech rules, sources say

February 21, 2025 via Reuters