

Duff on Hospitality Law

This Week in Travel: Pricing Probes, Expedia's Strong Quarter, Southwest's Distribution Shift and New Loyalty Perks

By Greg Duff on 8.10.25 | Posted in Online Travel Update

Good Sunday morning from Seattle . . . Our Online Travel Update for the week ending Friday, August 8, 2025, is below. For several weeks now, we've all seen and read the many headlines regarding American Airlines planned use of AI for rate setting. This week's Update features several stories on the controversy, including a report into the art and science of rate setting. Enjoy.

- **Expedia Reports Strong Second Quarter.** Buoyed by its B2B, advertising and international lines of business, Expedia this past week reported strong second quarter performance and increased its guidance on gross bookings and revenue for the full 2025 calendar year. Like other hospitality companies that reported this past week on weakening U.S. demand, Expedia experienced some of the same slow down but managed to offset the weakness through its other businesses. Of the three primary Expedia Group companies (Expedia, Hotels.com and VRBO), Expedia fared the best as the remaining two continue to experience platform transition challenges. Expedia continues to work with AI platforms – namely OpenAI and Google – to drive traffic to its websites, which according to Expedia CEO, Ariane Gorin, converts “well.”
- **Southwest Tickets Now Available on Booking Holdings' Websites.** Southwest Airlines announced last week that its tickets are now available on Agoda, Booking.com and Priceline (among other BH websites). This latest announcement further evidences Southwest's complete transition from being an exclusively direct channel retailer to embracing a wide variety of third party intermediaries.
- **Booking.com Launches Co-Branded Credit Card in U.S.** After months of rumors and speculation, Booking.com finally revealed its first U.S. co-branded credit card, the Booking.com Genius Rewards Visa Signature Credit Card. Cardholders will receive travel credits (each worth \$1.00) in varying amounts for purchases – up to 6% for hotels and

short term rentals booked on the Booking.com app. Cardholders will also be immediately enrolled in the third (highest) tier of Booking.com's Genius loyalty program. Hoteliers must keep a close eye on the card and any future cardholder promotions to ensure the card doesn't undermine pricing on the Booking.com platforms.

Our next Update will be for the week ending Friday, August 29.

The Science Behind AI Pricing for Airlines

August 7, 2025 via Phocus Wire

In an industry where the value of unsold seats vanishes into thin air the moment a flight departs, revenue management (RM) has always been a high-stakes balancing act for airlines. Since its beginnings more than 50 years ago, RM has aimed to match prices to passenger demand—ensuring that each seat sold contributes as much as possible to the bottom line.

Expedia Group Inc Q2 2025 Earnings Call

August 7, 2025 via Expedia Group

CEO Ariane Gorin and CFO Scott Schenkel discussed Expedia's Q2 2025 financial performance, including revenue growth, strategic priorities, and market outlook. The call also featured a Q&A with financial analysts, focusing on the company's key financial drivers and guidance for the next quarter.

Expedia Shows Strength in B2B, Advertising and International, Ups 2025 Guidance

August 7, 2025 via Skift

Expedia appears to be executing well on key priorities, and its B2B, international and advertising businesses are particular standouts. Expedia Group increased its guidance for 2025, based on strong second quarter performance in its B2B business, advertising, and international growth. The company's new guidance for 2025 is 3%-5% growth in ...

Expedia Group Reports Stronger Results in Q2 Amid Ongoing U.S. Headwinds

August 7, 2025 via Phocus Wire

Expedia Group reported positive results in the second quarter, with bookings up 5% to \$30.4 billion and revenue up 6% to \$3.8 billion year over year. The increase in revenue was attributed to its B2B arm and advertising, which were up 15% and 19%, respectively.

Expedia Says AI is Improving the Customer Experience and Generating Revenue

August 6, 2025 via Phocus Wire

Expedia Group, an early adopter of artificial intelligence (AI), has deployed the technology throughout its platform and reports tangible results. Development executives discussed it during the Explore Local event held in New York.

Southwest and Booking Holdings Reach Distribution Deal

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August 6, 2025 via Travel Weekly

Southwest Airlines tickets are now available on Priceline, Booking.com and other travel websites owned by Booking Holdings.

China's Guizhou Regulators Summon Leading Tourism Platforms Over Pricing Practices

August 6, 2025 via MLex

Chinese platform operators Ctrip.com, Tongcheng Travel, Douyin, Meituan, and Fliggy were summoned by market regulators yesterday regarding tourism-related business practices, according to a statement from the Guizhou Provincial Administration for Market Regulation. The regulators cited issues including forced exclusive dealing, technical pricing interference, post-order cancellation or surcharges, price fraud and gouging.

California Bill Aims to Ban 'Surveillance Pricing' by Tech Companies

August 5, 2025 via CBS8

Violations could result in penalties of up to \$2,500 per incident under the state's Unfair Competition Law. SAN DIEGO — A new bill proposed in California seeks to prohibit companies from using personal data collected from smartphones to set prices for services such as ride-sharing and hotel bookings. State Senator ...

Booking.com Debuts First U.S. Credit Card With Perks for Direct Bookings

August 5, 2025 via Skift

This credit card should help Booking.com build its U.S. business and attract more direct bookings, both longtime goals. Booking.com soft-launched its first credit card in the U.S., the Booking.com Genius Rewards Visa Signature Credit Card, which should help in its push for direct bookings. Rather than offering points and miles ...

US Criticizes Use of AI to Personalize Airline Ticket Prices, Would Investigate

August 5, 2025 via Reuters

US Transportation Secretary Sean Duffy said Tuesday the department has concerns about the use of AI to set personalized airline ticket prices and will investigate if anyone does so.

Delta Responds to AI Pricing Controversy

August 4, 2025 via Travel Weekly

Delta is pushing back against allegations that it is using AI to price discriminate. The airline's chief external affairs officer, Peter Carter, penned a letter on July 31 responding to a series of detailed questions put forward by Senate Democrats Mark Warner of Virginia, Richard Blumenthal of Connecticut and Ruben ...

Over 10,000 Hotels Sue Booking.com

August 4, 2025 via MENAFN

Over 10,000 hotels throughout Europe have united in a major lawsuit targeting online travel

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giant Booking.com, accusing the platform of engaging in unfair business tactics that caused substantial revenue losses, reported a Dutch public broadcaster on Monday. The affected hotels seek compensation, arguing that Booking.com's restrictive policies stifled competition ...

From Concur to Spotnana: Steve Singh on How AI Could Fix Corporate Travel

August 1, 2025 via Skift

Corporate travel is still a nightmare of fragmented systems, which means that rebooking canceled flights can be headache-inducing. Yet Concur co-founder Steve Singh believes new tech could bring the dawn of "the perfect trip." Steve Singh spent two decades building Concur into the dominant travel-and-expense management platform before selling it ...