

Duff on Hospitality Law

## The Economics of Distribution: AI's Impact and Google's New Limits

By Greg Duff on 9.7.25 | Posted in Online Travel Update

Good Sunday morning from Seattle . . . Our Online Travel Update for the week ending Friday, September 5, 2025, is below. The federal court's recent decision in the much-publicized Google anti-trust case captured most of the week's headlines in an otherwise quiet week in online travel. Enjoy.

- **Artificial Intelligence Will Pose New Challenges to Suppliers' Systems.** For those distribution executives with too much time on their hands (after all, who doesn't have endless amounts of time with all of the other anticipated AI driven changes in distribution), you now need to consider the systematic challenges associated with travelers' increasing use of AI tools, most notably agentic AI. As the story below details, the number of travelers' "looks" to actual bookings has increased steadily over the past twenty plus years and are poised to explode with travelers' use of AI-enabled agents to search and book travel. This unprecedented increase in looks will tax suppliers' existing systems (and systems' processes like caching), resulting in the need for more technology that comes with a hefty price. Will suppliers soon need to impose fees for searches of their content? Maybe.
- **WIT Releases Documentary on Online Travel in Asia.** Over the past several weeks, WIT has released chapters of a new documentary on the history of online travel in Asia – "Online Travel in Asia – The Untold Story." The entire documentary is now available (and is included in the story below). For all of you distribution nerds, this is essential viewing.
- **Effect of Google Decision on Online Travel Is Unclear.** Reactions from the online travel world to last week's U.S. federal court decision in the long-running Google anti-trust case have been mixed. Unlike ongoing investigations in the EU that have focused on Google's search and display practices (among others), the U.S. decision says nothing about search or display. Nor did the decision force Google's divestiture of Chrome, as some speculated would happen. Instead, the decision forces Google to share certain search results with its competitors and limits Google's ability to enter into exclusive distribution and licensing deals. So, what does this mean for online travel – if anything? It is unclear at this point. Some notable industry analysts believe that the decision is good news for online travel agencies that can now enter agreements with Apple and other device manufacturers to pre-install the online travel agencies' mobile applications on phones and devices. Apple

and other manufacturers could also re-introduce their own search or recommendation tools that rely heavily on online travel agencies. Others industry members question whether online travel agencies have the resources to enter into such deals with Apple or other manufacturers.

- **Google's New Flight Deals Tool Promises Better Search Results.** Google has launched a new AI-powered tool on Google Flights. Using natural language search queries, travelers in the U.S., Canada and India can now obtain AI-powered "contextual" search results tailored to their specific needs – financial and otherwise. Anticipated future updates will include filters that allow travelers to remove undesirable fare classes, itineraries, etc., from their custom search results.

Have a great week.

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### **Agentic AI and the Impending Surge of Look-to-Book Ratios**

*September 4, 2025 via PhocusWire*

Ah, the 1990s. Remember what it was like? Bill Clinton was in the White House. "Titanic" was in movie theaters. Every kid wanted a Tamagotchi. It was also a decade when look-to-book (L2B) ratios—the number of shopping and pricing requests compared to the actual number of tickets sold—was around 10:1. ...

### **Online Travel In Asia: The Untold Story (Full Documentary)**

*September 4, 2025 via WebinTravel*

The story of Asia's online travel industry has never been simple. It has been a tale of scrappy entrepreneurs, ambitious global players, fast-changing technology, and travellers whose habits shifted as quickly as the markets themselves. Online Travel in Asia: The Untold Story is a documentary two decades in the making.

### **Google Keeps Its Grip on Travel Search After Antitrust Ruling**

*September 4, 2025 via Skift*

The judge's order in the Google antitrust case was a huge letdown for travel businesses that have tried to force changes to the way Google displays travel search results.

### **Inside Agoda's AI Bet: Building Silicon Valley in Bangkok**

*September 2, 2025 via Skift Travel News*

Listen in for a roadmap of sorts to Agoda's fintech ambitions, loyalty strategy, and long-term vision for an AI-powered travel concierge. Skift Podcast Compelling discussions with travel industry leaders and creatives who are helping to shape the future of travel. Throughout the summer, Skift CEO Rafat Ali has ...

### **Now, Google Launches AI-Powered Flight Deals to Help Travelers Find the Best Bargains Across the U.S., Canada, and India**

*September 2, 2025 via Travel and Tour World*

In a world where travel planning can often feel overwhelming, Google has unveiled a new tool set to simplify the process and help travelers unlock the best flight deals available. The ...