

Duff on Hospitality Law

## **A Busy Week in Online Travel: Expedia Earnings, Hotelier AI Developments and Renewed Parity Concerns**

By Greg Duff on 2.15.26 | Posted in Online Travel Update

Good Sunday afternoon from Seattle . . . Our weekly Online Travel Update for the week ending Friday, February 13, 2026, is below. What started out as a quiet week in the online travel industry changed considerably as the week progressed. Earnings releases from the major lodging suppliers and Expedia garnered much of the week's headlines. Enjoy.

- **Expedia Reports Solid Fourth Quarter Results – Led Again by Its B2B Offerings.**

Expedia released its fourth quarter and full year results this past week. Highlights from this past week's release include the following:

- B2C bookings remained relatively stable. Partner funded promotions represented 30% of the bookings mix in 4th quarter (up from 3rd quarter). All three of Expedia's consumer brands (Expedia, Hotels.com and VRBO) saw growth in the 4th quarter.
- Advertising revenue continues to grow, up 19% YOY for the 4th quarter.
- B2B continues its consistently strong growth – gross bookings grew 24% YOY in the 4th quarter. B2B partner commissions were 61.6% of B2B revenue in 2025 (up from 60.7% in 2024). B2B continues to expand its product offerings with increased accommodations supply, new car rental connections and soon, experiences via Expedia's recently announced acquisition of Tiqets.
- Expedia's comments regarding AI and its adoption and use across the platform's many verticals remained largely unchanged from its most recent earnings release statement.

A transcript of Expedia's quarterly earnings call is attached for those of you interested.

- **Hoteliers Share Approaches to AI Use in Marketing and Distribution.** This past week saw Hyatt and Marriott offer glimpses into their respective AI efforts. According to Hyatt CEO, Mark Hoplamazian, Hyatt's efforts are most readily apparent in search, as Hyatt has added natural language search to its website and recently launched a Hyatt branded app

## A Busy Week in Online Travel: Expedia Earnings, Hotelier AI Developments and Renewed Parity Concerns

---

within ChatGPT's app ecosystem. Like [Accor's previously announced app](#), the Hyatt app allows ChatGPT users to search rates and availability and then re-directs those users to Hyatt.com to complete the booking. According to Hoplamazian, Hyatt's efforts with its own website are already producing positive results. According to Marriott CEO, Anthony Capuano, Marriott is working closely with Google to integrate with Google's AI Mode that, according to Capuano, will deliver a "priority search experience" and allow bookings to "be processed through AI Mode." What this integration might actually mean is still somewhat unknown. How will Marriott's search experience differ from other major travel brands? Is Google reconsidering earlier comments that it does not intend to become an online travel agent? Will bookings actually be completed within Google AI or will users instead be referred to Marriott.com to complete the booking? As for ChatGPT, Capuano announced that Marriott would be participating in ChatGPT's early advertising pilot (see story below). These latest announcements follow disclosures by both Hilton and Marriott in recent securities filings where both companies noted for the first time the risks posed by AI and possible disintermediation caused by AI, which could make even harder direct booking efforts and drive up the cost of distribution.

- **OpenAI Begins Testing Ads within ChatGPT.** Late last month, [we shared OpenAI's plans to test advertisements](#) for users of certain versions of ChatGPT. OpenAI announced this past week that the tests have begun in the U.S. for adult, logged-in users of ChatGPT's Free and Go subscription tiers. In last week's announcement, OpenAI reiterated some of the guiding principles behind the new advertising product, including commitments that advertising will not affect ChatGPT's answers to users' prompts and users' conversations with ChatGPT will not be shared with advertisers. According to OpenAI, it will decide which ads to show to users based on the topic of users' conversations, users' past conversations and users' past interactions with ads.
- **Malaysian Competition Authorities Flag OTA Parity Provisions as Part of Digital Economy Market Review.** Following its 18 month review of OTAs and other similar online travel marketplaces (including metasearch sites), the Malaysian Competition Commission reported several central competition concerns including (i) rate parity, (ii) algorithmic ranking (and the effect that higher commissions might have on ranking), (iii) keyword bidding, (iv) OTAs extensive first-party data collection practices, (v) the potentially anti-competitive use of generative AI and (vi) a variety of consumer facing tactics – drip pricing, pressure-selling and misleading reviews. Sounds like my usual OTA contracting checklist. While the review does not constitute a decision by the Commission, it does serve to identify areas where the Commission may in the future adopt guidelines or pursue further engagements with market participants.

Have a great week everyone.

---

## A Busy Week in Online Travel: Expedia Earnings, Hotelier AI Developments and Renewed Parity Concerns

---

### **Expedia's B2B Surge Buys Time for Vrbo and Hotels.com**

*February 13, 2026 via Skift*

Expedia's B2B division is growing nearly five times faster than its consumer brands. That gap buys time for the Vrbo and Hotels.com turnaround — but 2026 will test whether efficiency gains can translate into sustained momentum.

### **Hyatt CEO Sees Lift From AI Search; Reveals ChatGPT App**

*February 12, 2026 via Skift*

Hotel groups are increasingly sharing AI risks openly. But Hyatt and others have no choice but to keep experimenting. Hyatt says its multiyear push into artificial intelligence is delivering measurable gains across search, group sales, and internal operations. "We've been at this AI enablement for two full years," ...

### **Tripadvisor Sees Traffic Decline from AI Overviews, Considers 'Strategic Alternatives' (Again)**

*February 12, 2026 via Skift*

Tripadvisor has borne the brunt of declining SEO traffic from Google for many years. Now AI Overviews are pinching Tripadvisor even harder. Tripadvisor CEO Matt Goldberg told investors Thursday that the company is seeing "ongoing declines in flyby visitors to our site due to the changing search landscape ...

### **The AI Use Cases Travel Companies Are Actually Scaling in 2026**

*February 12, 2026 via Skift*

Across airlines, hotels, OTAs, destinations, and mobility providers, AI has moved into production and is now being scaled across the full travel value chain. The focus is no longer experimentation, but impact. Revenue, efficiency, loyalty, and resilience are now the benchmarks. These shifts are already shaping the agenda for the ...

### **Malaysian Watchdog Flags Price Parity, Ranking in Online Travel Agency Review**

*February 12, 2026 via MLex*

Malaysia's competition regulator has spotlighted competitive concerns in the online travel agency sector following a digital economy market review. The study found a concentrated market structure dominated by a few global platforms and raised issues around rate-parity obligations, commission-influenced search rankings and ...

### **Expedia Group Inc Q4 2025 Earnings Call**

*February 12, 2026 via Expedia Group*

"We delivered a strong finish to a great year and expect our positive momentum to continue in 2026," said Ariane Gorin, CEO of Expedia Group. "Our fourth quarter results exceeded both top and bottom-line expectations, reflecting disciplined execution of our strategic priorities in a healthy demand environment with double-digit growth in bookings and revenue. We are

confident in our ...

### **Marriott Says Google AI Mode Will Process Hotel Bookings, Not Just Send Links**

*February 11, 2026 via Skift*

Marriott is the first major hotel to publicly discuss its work with Google on its upcoming agentic AI travel booking tool. But it raises more questions than answers — especially whether AI Mode offers in-chat checkout for partners and link-outs for everyone else. Marriott CEO Anthony Capuano said ...

### **New Marriott and Hilton Filings Reveal Risks From AI Platforms to Direct Bookings**

*February 11, 2026 via Skift*

Artificial intelligence isn't charging hotels commissions yet. But lawyers at Marriott and Hilton are already preparing for a world where AI platforms could become the next powerful gatekeepers in travel distribution. Hilton and Marriott flagged artificial intelligence as a potential threat to their direct-booking efforts, warning in filings ...

### **OpenAI Launches Ads Pilot for ChatGPT, Travel Expected to Participate**

*February 9, 2026 via Skift*

OpenAI has crossed the advertising threshold. ChatGPT is now a potential marketing channel for travel brands — one that could surface hotel and flight ads at the exact moment a traveler is planning a trip inside a conversation. OpenAI began testing ads inside ChatGPT on Monday, inserting sponsored ...

### **Testing Ads in ChatGPT**

*February 9, 2026 via OpenAI*

Today, we're beginning to test ads in ChatGPT in the U.S. The test will be for logged-in adult users on the Free and Go subscription tiers. Plus, Pro, Business, Enterprise, and Education tiers will not have ads. Ads do not influence the answers ChatGPT gives you, and ...

### **EU Threatens Temporary Measures to Stop Meta Blocking AI Rivals from WhatsApp**

*February 9, 2026 via Reuters*

EU competition regulators have threatened to stop Meta Platforms from blocking artificial intelligence rivals from its WhatsApp messaging service while it investigates suspected abuse of a dominant position by the U.S. tech giant. The European Commission said on Monday that it has sent a statement ...