

Duff on Hospitality Law

The \$20B Year for OTAs: Marketing at Scale in the Age of AI

By Greg Duff on 3.1.26 | Posted in Online Travel Update

Good Sunday afternoon from Seattle . . . Our weekly Online Travel Update for Friday, February 27, 2026, is below. This week's Update features a variety of stories, including a few new perspectives on the existential threat posed by AI to the existing online travel behemoths. For reasons I cannot explain, this week's Update features as many questions (perhaps more) than answers. Enjoy.

- **Major OTAs Set New Record in Annual Marketing Spend.** Booking Holdings, Expedia Group, Trip.com Group and Airbnb spent a combined \$20 billion in sales and marketing in 2025. Despite OTAs' efforts to boost direct bookings (through loyalty program expansion and other means), experiments with AI customer acquisition and changing sales and marketing investments, the amount spent on sales and marketing efforts continues to grow. It will be interesting to watch how these numbers change (and the detail behind these numbers) with OTAs' much publicized AI efforts.
- **AI Not for You? Kayak Has an Answer.** Are Kayak's newest ad campaigns a true representation of "average" travelers' fear and general distrust of AI or a desperate last gasp at meta site relevancy?
- **Effects of OTA Disintermediation Beyond Lower Stock Prices.** This week we include one of the dozens of stories that came across our inbox detailing the financial fallout of travelers' potential use and reliance on AI platforms. Are reports of the threats posed by AI to OTAs (or now public acknowledgements by the largest OTAs) overblown? If these threats are real, how will these threats affect OTA behavior in the months and years to come? In the face of an existential crises, will OTAs continue to honor "commercial" understandings or will they ultimately be forced to resort to nuclear options – price discounting, keyword (or AI equivalent) purchases, misuse of opaque or package rates, obscuring or blacklisting property listings?
- **Travel Ads Spotted on ChatGPT.** Over the past few weeks, we've included several stories detailing OpenAI's planned introduction of ads for its lowest tiers of ChatGPT users. Google too has discussed plans for introducing ads on its AI mode platform. Apparently, some of these ads on OpenAI are now live and of course, one of the first ads, is from Expedia.

Have a great week everyone.

OTAs' Marketing Spend Exceeded \$20B in 2025

February 27, 2026 via PhocusWire

The competition between online travel agencies (OTAs) to attract consumers to their platforms remains intense. The largest players—Airbnb, Booking Holdings, Expedia Group and Trip.com Group—invested a combined \$20 billion in sales and marketing in 2025.

The Travel Industry Needs a New Way to Read OTA Results

February 26, 2026 via Skift

OTAs posted double-digit growth in the latest earnings cycle even as consumer travel spending declined. The industry needs a new framework for reading these results — and the signals that actually matter.

Kayak's New Ad Campaign Signals a Marketing Dilemma as AI Grabs Share

February 24, 2026 via Skift

Booking Holdings sees AI as the future of travel. Its Kayak brand's marketing doesn't touch on AI, but is trying to convince Millennials it's OK to book on smartphones and to use Kayak to navigate social media distractions. Kayak's new ad campaign is fun and potentially effective, but ...

Kayak for Business Hires Industry Vet Lichtenstein

February 23, 2026 via Business Travel News

Corporate travel industry veteran Susan Lichtenstein has joined Kayak for Business as its senior director of strategic growth, a new position for the platform, Kayak announced.

AI Fears Slam Online Travel Agency Stocks

February 23, 2026 via Benzinga

Online travel agency stocks are sliding again on Monday, as investors worry that artificial-intelligence tools could take a bite out of the sector's long-term economics. Booking Holdings Inc. is down 25% in February, putting the stock on track for its worst month since April 2010.

ChatGPT Ads From Expedia Spotted In The Wild

February 20, 2026 via Search Engine Roundtable

As you know, OpenAI said they would release ads in ChatGPT and then about ten days ago, said the ads went live for a limited number of users. Since then, we have not seen reports of anyone seeing ads in the wild within ChatGPT until now. Those ads, at least ...