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Today's Google and the Future of Travel Booking

One of the big questions in travel technology is whether Google plans further expansion into the booking cycle of travel.

The official Google company line indicates satisfaction with their place in travel search ecosystem. Based upon market share and factoring Google's existing travel capabilities, it's easy to appreciate why that may be the current position.

Google's provision of travel related information is both central and pivotal for the industry. According to [StatCounter](#), Google's search engine market share average for 2018 is in excess of 90%. Even if half-accurate it is a wealth of traffic and industry specific information.

However, Google's product development suggests steps toward something bigger are already being made.



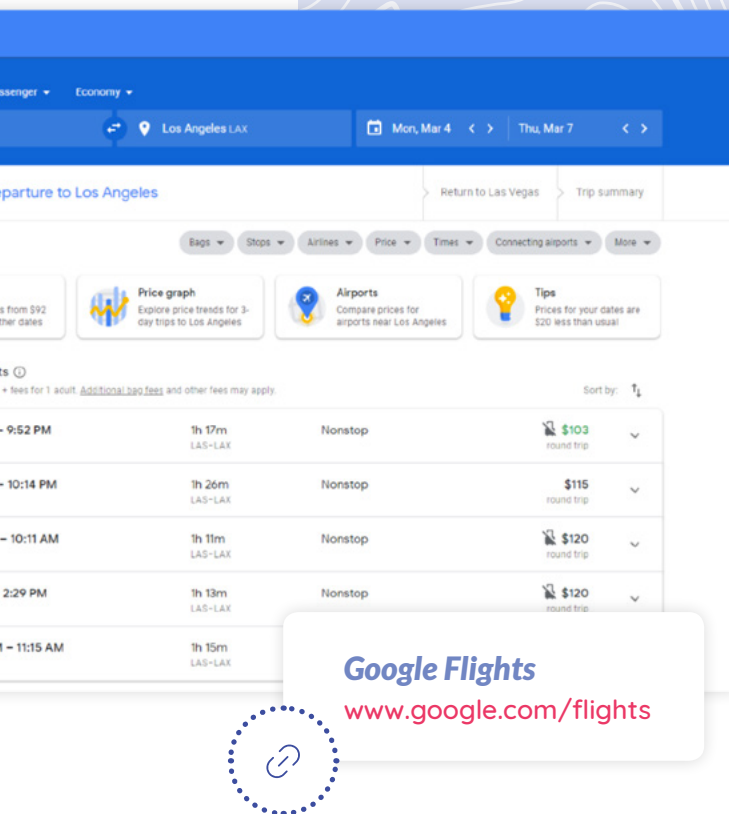
The Tools of the Travel Search Trade

In the background of marketplace activity from Expedia, Booking Holdings and TripAdvisor the search giant has developed a portfolio of travel-related technology. Some specifically targeted for the industry. Others providing conduits for behavioral information that filter into the travel products themselves.

Google's travel products are Google Flights, Google Trips, and Google's Hotel Search.

Google Flights is an extension of Google Search for air travel. An aggregated flight search engine with interactive maps, flight paths, destination fares, comparison tools and a level of intelligence and advisory on optimum times to fly based upon pricing. The engine captures flight information for all carriers. Low Cost Carriers conceal their pricing and require direct bookings. The recent addition of flights and fare tracking supports automated alerts for the optimum time to purchase a fare.

The recently introduced **Google Trips** aggregates a traveler's information for upcoming and past trips. A one-stop shop for information, confirmations, and itinerary data bracketed for each trip. Adding to the utility value the app also provides useful destination information, opportunities for tours, activities and other local attractions. Like Google Flights, Google Trips aggregates information then handing off to third parties at the point of booking.

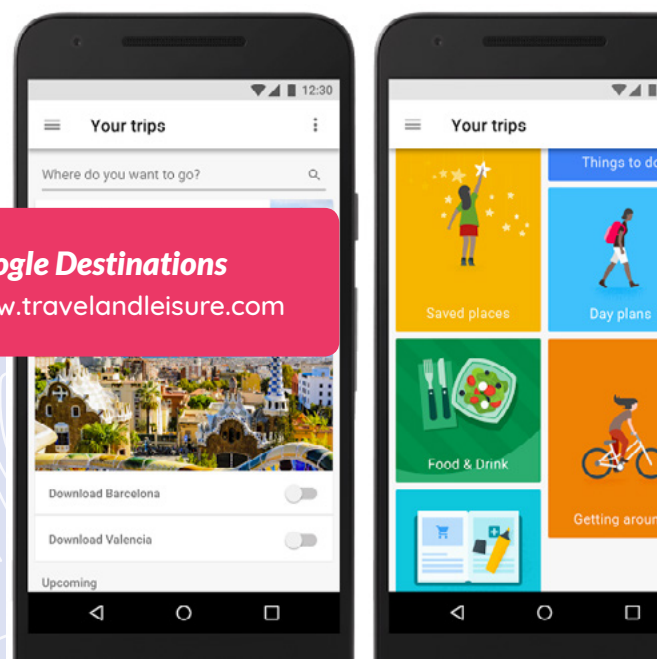


Automation plays a role as data is collected from email accounts and alerts and reminders are provided in advance of travel plans. Google Trips is a mobile-only application keeping with the trend toward mobile booking platforms allowing the powerful coupling of location-based information. To date there have been 5 million downloads of the app on Android.

Google Destinations provides a discovery tool, combining destination information with flights, accommodation, tours and activity options. The best feature is combined pricing allowing a total trip per person price search. Following through with a booking is a little clumsy, separating the products into the Google Flight and Hotel Search paths. However, a convenient research tool with future potential.



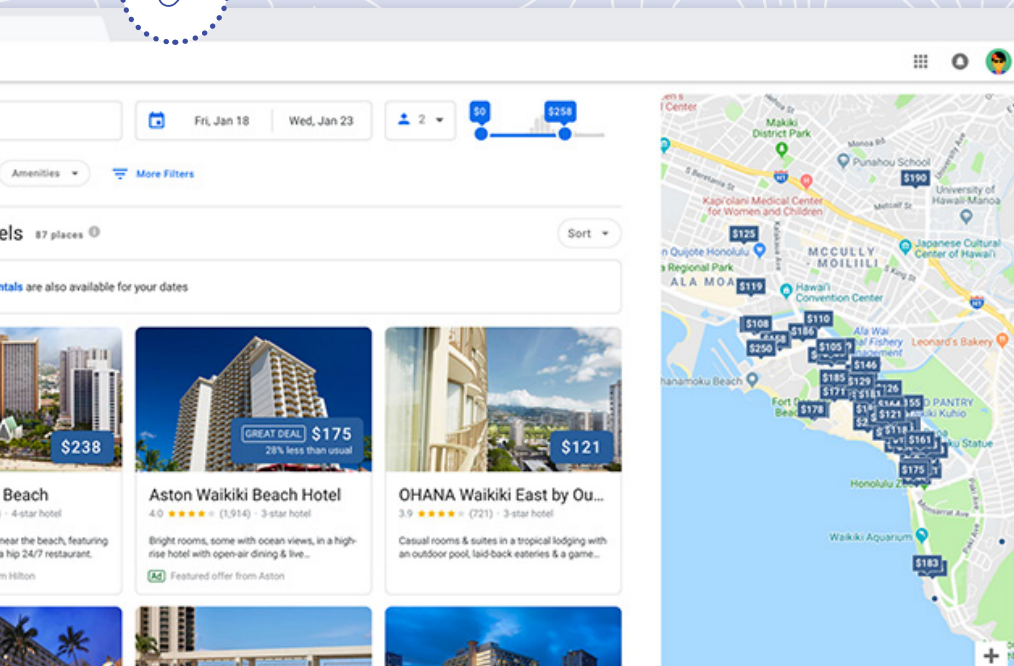
Google Destinations
www.travelandleisure.com





Hotel Search

www.google.com/hotels/about/



Google's **Hotel Search** has undergone several changes over the years from presentation of a browser ribbon with available hotels to the current approach combining hotel availability with map location. Hotel search provides grid-based properties and map locations with pricing for the destination. Filtering and sorting tools are available along with Deal filters for special offers and last-minute availability. Google combines the price intelligence from the flight search to highlight favorable pricing. Rate tracking has not yet been introduced, but seems a natural addition based upon capabilities in other products. Google presents a broad

cross-section of information about each hotel from galleries through to guest ratings sourcing multiple providers platforms. The service hands off the booking process where the customer can choose from a list of booking experiences determined by their price preference or brand affinity to any specific provider.

In 2018 Google introduced early pilot stages of the **Book on Google** tool allowing the traveler to experience a homogeneous booking and payment experience for certain hotels. The proviso is that the traveler must register with Google Pay. From appearances the booking experience is completed within Google. The reality is that the booking and transaction details are made and transferred to the hotel via the third party system, where the third party manages the transaction and the relationship. A convenient service for certain travelers and certain hotels, although not a true OTA booking platform in its current form.

Completing the Package

The three major products fit squarely in the travel vertical and there is significant crossover with direct competitors travel tools. However, when coupled with the range of generic Google capabilities these tools become even more powerful.

Google capabilities with application in travel include Google Maps, Google Photos, reviews, Art & Culture, Google Assistant, Google Translate, Google Pay, and the across industry advertising and marketing platform available to any industry.

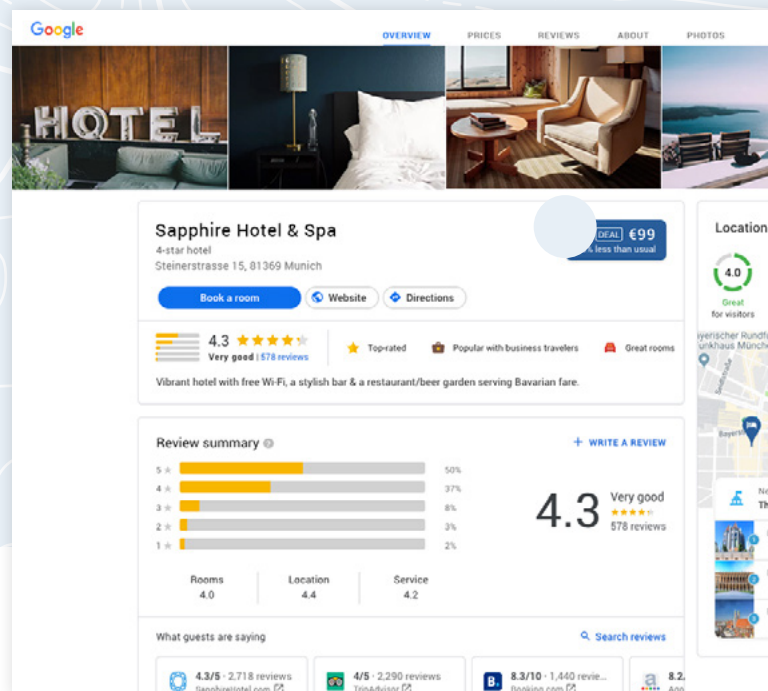


Observation of the toolkit demonstrates the impact of the combined platform as an information source.

- **Google Maps** is the most popular mapping application for the consumer and business. More than double the total competition combined in North America alone. Travelers use maps and travel products are listed on Google Maps.
- **Google Photos** stores and shares images, regularly taken by travelers while on holiday. Images are cross referenced to location through artificial intelligence analysis.
- **Google's review** platform range across multiple industries, unlike their main travel competition that is limited to the travel vertical. Travel related businesses are the most regular direct reviews on Google.
- **Arts and Culture** provide the traveler with an interactive review of cultural locations in destinations in advance of formalizing a booking to the attraction.
- **Google Assistant** provides text and voice-based responses specific to traveler questions and information requirements, now also integrated with Google Maps. 20% of Google's mobile search is via voice.
- **Google Translate** presents information in a friendly language or assists the traveler to

convert communication on the fly. 500 million people use Google Translate and the service handles more than 100 Billion words a day.

- **Google Pay** provides the option to make direct payment to selected booking platforms during the booking process.
- Google's **HotelAds**, the number one metasearch platform, and Google's advertising products support promotion and tracking of information and products that resonate with the traveler across a range of demographics



Specific to hospitality operations and the guestroom, Google is developing their own Google Assistant based natural language processing product that will compete with Amazon's Alexa. Some suggest Google has been slow to enter the market. Considering the existing Google travel portfolio, it is anticipated that the product will provide a powerful alternative to Alexa and is likely to have a greater depth of voice comprehension by virtue of their global search business. Major hotel operators are actively involved with the product development, which will come to market in 2019.

In 2018 Google demonstrated an interactive **reservation booking** experience using artificial intelligence and a natural language chat engine to reserve a restaurant using **Google Duplex**. Hotel reservations are expected soon.





Knowing the Traveler

What does Google know about the traveler? Analyzing the travel experience across the lifecycle it looks something like this;

Google knows where they are; where they might like to go; how they might like to get there; whom they like to travel with; their preference for brands; how they choose to travel; how they booked the travel item; which advertisements resonated with them; the airline they traveled on; the hotel that they stayed at; how they

booked the hotel; how much they paid and what potentially affected their choice of hotel; where the hotel is; when they will be staying; how they traveled in destination; where they traveled in destination; what they thought about doing; what they booked to do in destination; precisely where they went and how long they spent if location tracking is enabled; what they took photos of and where; how much was spent on each item and the total trip; what they wanted information about; what they talked about; if they needed to understand something in a different language; what was discussed if voice recognition is enabled; what was talked about and whether they spoke to their hotel room; what they thought about the overall experience or each of the experiences if they are a person that likes to provide feedback, and perhaps also the details of payment if using Google Pay for some products and services.

Granted that if a traveler doesn't use all the Google travel tools it may not be possible to get the full picture, although this is a wealth of behavioral data on a personal level. On an aggregated basis it is incredibly powerful information. The only part Google isn't providing in travel is conversion of the booking. But if data is the new

currency, when compared to this set of information, how the product was paid for or purchased is of less significant value. They already know the motivational and behavioral information. The last mile is becoming a booking platform.





A Level 4 Playing Field

These realities also support why the major players in the travel space have identified Google as their main competitor. In December 2018 Mark Okerstrom, CEO of Expedia cited Google in relation to the grip they have on the customer base and the power of search. Okerstrom stated, “we have to be very watchful about what they are doing”.

Booking Holdings CEO, Glenn Fogel has been less direct in his commentary although the similar business model raises similar concerns. Recently Booking.com has increased presence on TV marketing in an effort to build brand recognition directly with the customer. Pepijn Rijvers, CMO of Booking Holdings outlined that while Google has been a strong tool for bringing customers to Booking.com, his focus is owning the customer relationship via their own platforms.

What is Google? A search engine or a travel marketing platform. Questions continue to be raised over Google's monopolistic role in the search engine business and provision of unbiased information sourcing via their advertising business for travel. Recently a number of organizations

have called into question the fairness of search engine results with Google prioritizing their own products over competitors. In 2014 and again in 2018 Google found themselves under scrutiny in the European Union for anti-competitive practices. The outcome of the investigation were two significant fines. The most recent being 5 Billion Euro and the former ensuring that competitive travel products were provided equal representation in the search engine results.

Expedia's Barry Diller has suggested that regulation is required given the market dominance of Google. When questioned on the topic Diller offered, “Whenever you have that kind of control over the world that can't go anyplace else to get their stuff to a consumer, inevitably all monopolies behave the same, and you have got to have regulation of what they do once they get to that stage.”

Under Google's paid advertising model and market dominance, it's hard to ignore that Google Search has essentially become a public utility, where a separation of the search engine business from other revenue streams seems appropriate to discuss. Hugo Burge, CEO of Momondo noted, “Google should be seen as one of the key global players within online travel – it has the advantage of global reach, an unparalleled traffic base and access to enormous amounts of data”.

Google's counter-argument is that they are focused on improving the quality of information and ease of access for the traveling community. At the 2018 Skift Forum in New York Google's Rob Torres said of the company future in the travel space, “We want to be the trusted place people go when they (travelers) make decisions. Hopefully, that leads to more qualified and personalized leads for [our partners]. The reality is that it makes sense if you're in Google at a vertical like travel and improve the experience for consumers. If we get more people booking and searching, I will be able to send you more leads.”

The current position seems to have kept the wolves from the door, although a move further into the booking process could be a catalyst for a renewed level of scrutiny from market and regulatory bodies.





Getting Personal and Consolidated Search

Notwithstanding these challenges, the future potential for Google is considerable. Travel, travel products and the digitization of the travel experience have major growth opportunities for the foreseeable future. Google's central role in search will continue to grow their audience and consolidation of traveler information.

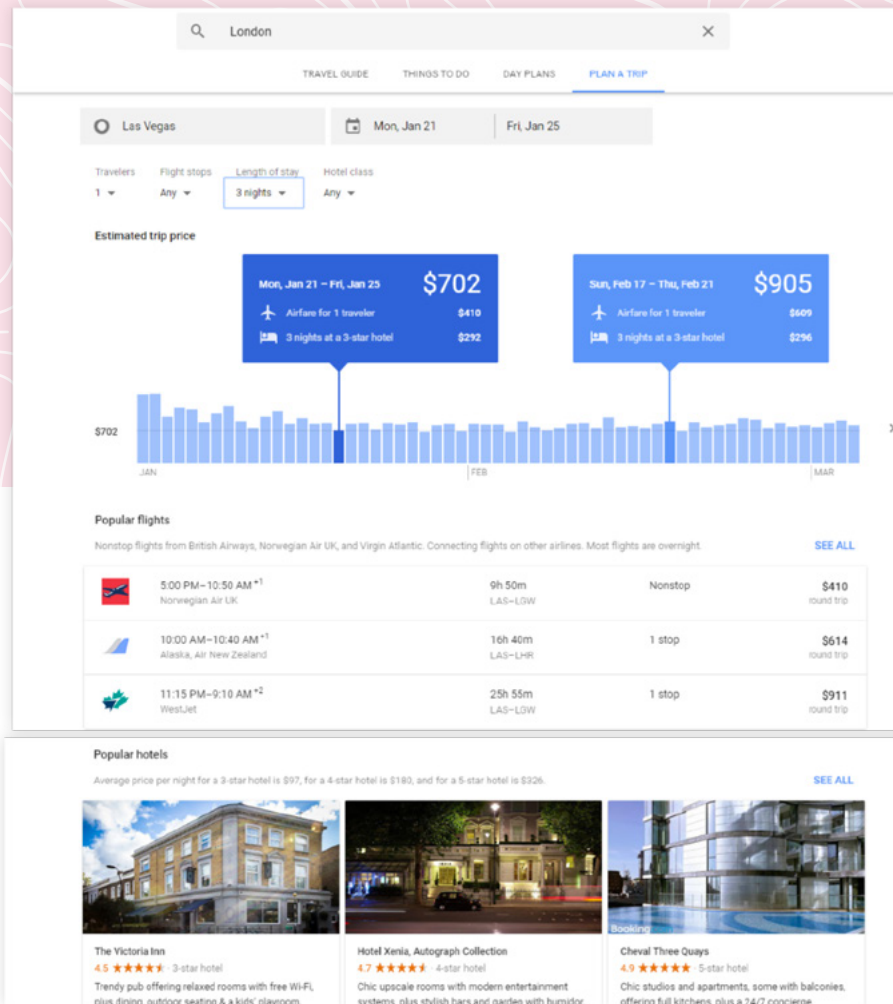
The granularity of personal information will be increasingly attractive supporting highly targeted advertising and marketing campaigns for organizations seeking customer reach. Artificial intelligence services will be a natural addition to the list of tools available to marketing teams using Google.

It would be hard to imagine a company better positioned to lead the charge toward personalization. The volume of personal data in the current warehouse, growing exponentially, sets the company in good stead to personalize the travel search experience. Google can leverage information from travel with broader demographic and personal information from their user base.

In constructing the detailed traveler profile, is the next natural step a loyalty and recognition product?

Google's current mantra to provide the best experience in search for travel information will drive incremental improvement to all the current travel products. The ongoing integration of generic Google capability will continue to improve the digital experience for the traveler. It's not unrealistic to anticipate that Google will further refine the many subsectors of the travel experience improving search experience peculiar to specific products types, as had been done for Air and Hotels. Feasible sectors include Cruise, Vacation Rental and Home Share, Wellness, Entertainment and ground transportation, and the space that is undergoing massive technological change - activities, tours and attractions.

The next major step is the consolidation of the overall travel search experience. A cohesive platform for the delivery of information across all sectors in a customer-oriented manner - the holy grail for the travel sector. Presentation of product and service information for all facets of the travel experience will be within Google's grasp, leveraging



personalization in the process. Taking the concept of Google Destinations and delivering a singular search experience able to deliver information for Air, Accommodation, Activities, Tours, Entertainment, Transport and other related products and services with supporting destination information services.



| The Last Mile

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It has been suggested that the complexity of today's distribution marketplace and connectivity to downstream systems is costlier and more time-consuming than Google has the appetite for. In time adoption of industry standards, and introduction of supporting technology platforms will ease the consolidation and movement of information.

Having successfully achieved singular presentation of consolidated travel information across a timeline, it's difficult to imagine that Google or the

traveler will be satisfied with launching into multiple third-party booking cycles to complete an itinerary, as is the case today.

The combination of the existing transition experience from search results to the booking process, and end-to-end automation of the booking transmission process across the travel ecosystem will be the tipping point that convinces Google to expand from search only to the full booking process.

Google Travel (Look) will then become Google Travel (Look to Book).

In the brave new world of consolidated travel experiences the traveler will be narrating the booking or happily chatting away to their devices with artificial intelligence based interactive chat bots or Digital Travel Agents.

If the search marketplace has not diversified with other search platforms taking a balanced share by this point in time, Google Travel will become the most powerful and far reaching travel platform on the planet.

Over to the regulators!



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