

# Book your flight, tickets to attractions and car in one place



**Market leader Booking.com is leaning on its Genius loyalty programme, which offers discounts and perks, to beat the competition, but will customers bite?**

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AMSTERDAM – Online travel agencies (OTAs) such as Booking.com and Expedia are best known for their accommodation listings.

Now, they want people to book multiple aspects of a trip, including flights, rental cars and attractions, on their platforms – positioning themselves as a one-stop shop.

Booking.com, which leads the market in terms of revenue, has launched The Connected Trip, encouraging people to book more than one aspect of a trip on its platform.

Travellers to Singapore, for instance, can book tickets to attractions, guided tours, lounge access at Changi Airport and luggage storage services on the platform. Booking.com has partnered Viator and Klook, OTAs known for travel experiences, to list these offerings. In South-east Asia, travellers can book rides on Grab via the Booking.com app, instead of having to download a separate app – all in a bid to create what Booking.com calls a “seamless, intuitive customer journey”.

But the landscape is competitive, with multiple companies fighting for a slice of the same pie. Meanwhile, airlines, properties and attraction providers are courting direct bookings with discounts and loyalty programmes of their own.

For now, the connected trip has yet to take hold. Less than 10 per cent of Booking.com transitions

are “connected” ones, says Mr Austin Sheppard, senior vice-president at Booking.com’s Trips business unit.

He was one of multiple executives who spoke to Asia-Pacific media, including The Straits Times, at the company’s Amsterdam headquarters in June.

Mr Sheppard adds that “connected” transactions have grown by 50 per cent year on year in the first quarter of 2024 to a “high single-digit percentage”.

This is one of the company’s bids to remain competitive in recent years, after OTAs’ rapid growth stabilised in the past two decades.

When online travel agencies emerged in the late 1990s, it marked a shift in the way people made holiday bookings.

Early players listed properties on their platforms, allowing people to book directly rather than through hotels or travel agents who charged higher commissions.

OTAs made it easier for people to compare prices, created visibility for independent properties and drove down prices through competition.

Between 2010 and 2019, United States companies Booking Holdings and Expedia Group, which both own multiple travel brands, more than doubled their market share from 20 to 48 per cent. And in 2019, OTAs generated bookings of 70 million additional nights in all properties across the Asia-Pacific region, based on a report by advisory firm Oxford Economics and Booking.com.

Now, however, growth has slowed amid competition. Other big players such as Skyscanner, Trip.com, Klook and Google Travel all offer variations of the one-stop booking service.

Specific offerings vary and some are stronger in specific regions. Trip.com, for instance, has a stronghold in the Chinese market, while Skyscanner and Tripadvisor bill themselves as metasearch platforms that provide results from trawling multiple OTAs.

But all of them are, in essence, a single platform where customers can book multiple aspects of a trip.



Mr Austin Sheppard (left) is senior vice-president at Booking.com’s Trips business unit. The platform is headquartered in Amsterdam (above) and has launched The Connected Trip to encourage people to book more than one aspect of a trip with it. PHOTOS: UNSTUDIO, BOOKING.COM

## NEW FACE OF LOYALTY PROGRAMMES

Booking.com is leaning on its Genius loyalty programme to stand out amid this crowd.

Genius has three tiers and offers discounts of up to 20 per cent on accommodation. To obtain the highest tier, users must make a total of 15 bookings from any segment within two years.

To expand the programme, the company is experimenting with customised perks, which include free breakfasts, room or flight upgrades and extra baggage allowance. It is also piloting a programme that offers credits that customers can use for their next trip on the platform.

Discounts are still the biggest driver of travel loyalty programmes, according to 2023 data from a survey on Gen Z and millennial travel habits by US-headquartered travel industry news site Skift.

Access to premium services and ease of earning and redeeming points tie for a close second, both aspects of Genius that Booking.com believes will win customers over.

“There are many examples of

points schemes that have become very convoluted and complex. That’s our superpower – we keep things simple and targeted at the casual traveller,” says Mr Arjan Dijk, Booking.com’s chief marketing officer.

In that vein, Booking.com is on the right track. But fighting for market share are hospitality groups such as Hilton, Marriott, Intercontinental and Hyatt, which in recent years have been shoring up their loyalty programmes and touting their benefits through marketing campaigns.

Direct bookings allow properties to avoid paying commissions of between 10 and 30 per cent to OTAs.

Hilton, for instance, encouraged customers to Stop Clicking Around in a 2016 campaign, followed by a 2018 campaign to Expect Better, Expect Hilton.

Marriott, in the first quarter of 2022, reported a record high in direct digital bookings – 14 per cent more than in the first quarter of 2019.

And in 2021, the company’s Where Can We Take You? campaign showcased its 8,800 or so properties across 30 brands,

demonstrating their appeal to every demographic and encouraging travellers to book within the Marriott Bonvoy loyalty ecosystem.

Still, no hotel chain can compete with the sheer volume and variety Booking.com offers.

With more than 29 million property listings, it is far ahead of the competition.

Expedia, often mentioned in the same breath, lists more than three million properties.

## HOW TO WIN CUSTOMERS OVER

In Singapore, Booking.com continues to be known primarily as an accommodation provider.

Many who spoke to The Straits Times were unaware that it offers flights, car rentals and attractions.

Mr Dijk says the bulk of customer education takes place in the mobile app, where more than 50 per cent of bookings are made.

“The moment you have booked your flight, we can suggest accommodation bookings. When you’re on vacation, you might get a notification that says it’s raining, but here’s a great museum around the corner that you can book. It all has to be timed to the right stage (of the booking process),” he adds.

However, customers such as human resource manager Sheena Neo, 32, believe that searching for flight and accommodation bookings separately will result in the best prices.

“When I look at a one-stop shop, I’m unsure if it marks up prices for convenience. And I don’t really need this convenience as I’m used to searching multiple platforms,” says Ms Neo, who travels around once a month.

Booking.com, in response, says its partners set prices and fees. It also has a price matching scheme, subject to terms such as the other offer having the same cancellation policy and conditions.

However, properties might still offer lower prices on direct bookings, such as via a coupon code, which would disqualify a price match.

Beyond prices and loyalty perks,

OTAs also need good customer service to win customers over, says Dr Wong King Yin, senior lecturer at Nanyang Technological University’s College of Business (Nanyang Business School).

She says people book directly with airlines and hotels because there is a perception of better customer service.

But with connected trip bookings, OTAs have the opportunity to make themselves more attractive by offering flexibility when snafus occur.

“If my flight is delayed, will the OTA be able to help me address the domino effect on hotels, attractions and service bookings, such as an airport pick-up? Will I be able to easily change or update bookings, with transparent price comparison?” she says.

And with more data about customer preferences, OTAs can win customers over with more personalised recommendations.

Associate Professor Kiattipoom Kiattawasin, who teaches hospitality business modules at the Singapore Institute of Technology, explains that in the past, companies might segregate bundling by price, such as by offering high-end accommodation to those who fly business class.

“These days, people mix and match service levels depending on their priorities. They might fly with a budget carrier but eat well and stay in a luxury hotel. Or stay in a cheap property, but spend a ton on Taylor Swift tickets,” he says.

Ultimately, Booking.com chief executive Glenn Fogel says the competitive landscape for connected trips is good news for all players involved, adding that it is part of the company’s ongoing effort to update its business models, adapt to new technologies and produce a better result for both travellers and vendors.

He says: “There can be many winners. Travel is such a big industry that there is more than enough room for all of us to do well.”

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