

## Eoin Treacy

---

**From:** Eoin Treacy (FT MONEY LTD) <eointreacy@bloomberg.net>  
**Sent:** Thursday, November 07, 2019 12:42 PM  
**Subject:** (BN) Expedia and TripAdvisor Lead Sharp Sell-Off in Online Travel

---

Expedia and TripAdvisor Lead Sharp Sell-Off in Online Travel  
2019-11-07 16:18:38.494 GMT

By Ryan Vlastelica

(Bloomberg) -- Shares of online travel agencies tumbled on Thursday, after a pair of companies reported results that missed expectations and raised concerns over the prospect of competition from Google.

Expedia Group Inc. shed as much as 26% in its biggest one-day plunge in more than six years. TripAdvisor Inc. dropped as much as 28% in the biggest one-day percentage loss in its history. It also touched its lowest level since 2012.

Among other companies in the sector, U.S.-listed shares of Trivago NV fell as much as 2.2% in what was set to be its sixth straight daily drop; the Dusseldorf-based company reported results that missed estimates earlier this week. The fourth major online travel agency, Booking Holdings Inc., will report third-quarter results after the market closes on Thursday. Shares fell as much as 8.3% ahead of the report.

Expedia's results showed a decline in revenue growth at its vacation rental business, and the company gave an outlook that prompted at least three analyst downgrades.

According to Piper Jaffray, "the most concerning trend" in the quarter was "the reduced efficiency of SEO," or search engine optimization. Google, part of Alphabet Inc., is favoring its own "Hotel Finder" platform, along with paid links for search results, and this trend could require higher marketing costs.

D.A. Davidson noted that Expedia is exploring alternatives to mitigate its "reliance on search/Google," but wrote that it sees "no alternatives that will be able to efficiently 'move the needle' from a volume perspective anytime soon." Morgan Stanley wrote that Alphabet is now the "best way to invest in travel." TripAdvisor's adjusted earnings and revenue both missed the lowest analyst estimates. The results "more than disappointed," Jefferies wrote, reiterating its underperform rating. Analyst Brent Thill added that TripAdvisor's preliminary 2020 outlook "is not encouraging," in part because of "continued SEO pressure from Google."

To contact the reporter on this story:  
Ryan Vlastelica in New York at [rvlastelica1@bloomberg.net](mailto:rvlastelica1@bloomberg.net)

To contact the editors responsible for this story:  
Catherine Larkin at [clarkin4@bloomberg.net](mailto:clarkin4@bloomberg.net)  
Jim Silver