



BOOKING HOLDINGS INC.



A thesis submitted to Anglo-American University for the
degree of Bachelor in Business Administration

Spring 2021

JULIE MADĚRYČOVÁ

ADVISOR: KAREL KUBIAS

SCHOOL OF BUSINESS ADMINISTRATION

DECLARATION

I hereby declare that no portion of the work referred to in this thesis has been submitted in support of an application for another degree, or qualification thereof, or for any other university or institute of learning.

I declare that this thesis is my independent work. All sources and literature are cited and included.

I also hereby acknowledge that my thesis will be made publicly available pursuant to Section 47b of Act No. 552/2005 Coll. and AAU's internal regulations.

10.05.2021

Julie Maděryčová

A handwritten signature in black ink, appearing to be 'J. Maděryčová', written in a cursive style.

ACKNOWLEDGEMENT

I would like to thank my mum and dad, Ríša and everyone else in my family for always supporting me in all ways possible. I would also like to thank Lara, Lukas, Kathrin, and Linn for helping me to get through the wonderful years at AAU with joy. To all my closest friends, thank you for cheering me on during the whole process and making me laugh when I wanted to cry. The past three years have been an amazing learning experience thanks to my great teachers and the AAU environment.

I would like to thank my thesis advisor, Karel Kubias, for his guidance during the writing of my thesis. Additionally, I would like to thank Greg Pezda, Mark Wiedorn, Gabriele Meissner, and David Muir for their insights regarding my thesis.

Table of Contents

| | |
|---|-----------|
| 1. Executive Summary | 8 |
| 2. Introduction | 9 |
| 3. Strategic Overview | 10 |
| 3.1 Business Activities | 10 |
| 3.2 Brand Ecosystem of Booking Holdings | 12 |
| 3.2.1 The Definition of Brand Ecosystem | 12 |
| 3.2.2 The Operations of the Brand Ecosystem of Booking Holdings | 12 |
| 3.2.3 The Core of the Brand Ecosystem | 12 |
| 3.2.4 Connected Trip Experience | 13 |
| 3.2.5 Payment Methods | 13 |
| 3.2.6 Weaknesses of Executing Connected Trip Experience | 14 |
| 3.2.7 Market Presence in United States | 14 |
| 3.2.8 Market Presence in Asia | 15 |
| 4. Mission | 15 |
| 5. Vision | 16 |
| 6. Conclusion | 16 |
| 7. Business Model Canvas | 17 |
| 7.1 Customer Segments | 18 |
| 7.2 Value Proposition | 18 |
| 7.3 Channels | 19 |
| 7.4 Customer Relationships | 19 |
| 7.5 Revenue Streams | 19 |
| 7.6 Key Resources | 20 |
| 7.7 Key Partnerships | 20 |
| 7.8 Cost Structure | 21 |
| 8. Key Activities | 21 |
| 8.1 Management of Brand Ecosystem | 21 |
| 8.1.1 Utilizing Brands to Expand Services | 22 |
| 8.1.2 Integrating Employees Across Brands Through HR Management | 22 |
| 8.1.3 Managing and Monitoring Acquisitions | 22 |
| 8.1.4 Allocating Resources Across Brands | 22 |
| 8.1.5 Interconnecting Platforms and Services | 22 |
| 8.2 Development of Online Platforms/Apps and Maintenance | 23 |
| 8.2.1 Data and Privacy Securitization | 23 |
| 8.2.2 Management of Data and Data Analysis | 23 |

| | |
|--|-----------|
| 8.2.3 Innovating User-friendly Apps and Websites | 23 |
| 8.2.4 Maintaining and the up-Keep of Platforms | 24 |
| 8.2.5 Management of Data Sharing Across Brands | 24 |
| 8.3 Marketing Activities | 24 |
| 8.3.1 Advertising via Search Engines and Online Travel Agents | 24 |
| 8.3.2 On-site Advertising and Email Advertising | 25 |
| 8.3.3 Distributing of Marketing Reports to Affiliates | 25 |
| 8.3.4 Offering Advertisement Outlets for Key Partners and Affiliates | 25 |
| 8.3.5 Marketing of Individual Brands Across Platforms | 25 |
| 8.4 Development and Maintenance of Relationships with Key Partners | 26 |
| 8.4.1 Monitoring Activities of Key Partners and Affiliates | 26 |
| 8.4.2 Offering Loyalty Programs | 26 |
| 8.4.3 Recruiting New Partners, Affiliates and Online Travel Agents | 27 |
| 8.4.4 Diversifying Network of Partners | 27 |
| 8.4.5 Increasing Service Offers and Service Availability | 27 |
| 8.5 Handling Customer Relationship Management | 27 |
| 8.5.1 Offering Promotions and Special Deals | 28 |
| 8.5.2 Developing Robust Employee Training | 28 |
| 8.5.3 Offering Loyalty Programs | 28 |
| 8.5.4 Providing Communication Outlets Operating 24/7 | 28 |
| 8.5.5 Providing User-friendly Interface for Easy and Convenient Use | 28 |
| 9. Current Activity Systems Map | 29 |
| 10. Strategic Fit | 30 |
| 11. Current Strategy and Porter's 5 Tests of Strategy | 33 |
| 11.1 Current Strategy | 33 |
| 11.2 A Unique Value Proposition | 33 |
| 11.3 A Tailored Value Chain | 33 |
| 11.4 Trade-offs Different from Rivals | 34 |
| 11.5 Fit Across the Value Chain | 34 |
| 11.6 Continuity over time | 34 |
| 12. Conclusion | 34 |
| 13. Financial Analysis | 36 |
| 13.1 Consolidated Statement of Operations and Net Income | 36 |
| 13.2 Operating Ratios | 37 |
| 13.3 Liquidity Ratios | 38 |
| 13.4 Long-term and Solvency Ratios | 38 |
| 13.5 Profitability Ratios Comparison to Expedia | 39 |

| | |
|--|-----------|
| 13.6 Market Based Measures | 40 |
| 13.7 Stock Performance Analysis | 42 |
| 14. Conclusion | 44 |
| 15. External Analysis | 45 |
| 15.1 Industry Overview | 45 |
| 15.2 Corporate Travel Market | 46 |
| 15.3 Leisure Travel Market | 46 |
| 15.4 Industry Trends | 47 |
| 15.5 Influences of Covid-19 on the Online Travel Agent Industry | 47 |
| 16. Political, Economic, Technological and Legal Factors | 48 |
| 16.1 Political Factors | 48 |
| 16.2 Economic Factors | 48 |
| 16.3 Technological Factors | 49 |
| 16.4 Legal Factors | 49 |
| 17. Competitive Environment | 50 |
| 17.1 Key Competitors | 50 |
| 17.1.1 Existing and Established Competition | 51 |
| 17.1.1.1 Expedia Group Inc | 51 |
| 17.1.1.2 TripAdvisor, Inc | 52 |
| 17.1.1.3 Airbnb | 53 |
| 17.1.1.4 Trip.com Group Limited | 53 |
| 17.1.2 Emerging Competition | 54 |
| 17.1.2.1 Google | 54 |
| 17.1.2.2 Amazon | 54 |
| 17.1.2.3 Facebook | 55 |
| 17.2 Competitive Analysis | 55 |
| 17.3 Strategic Group Map | 56 |
| 18. Porter's 5 Forces in the Online Travel Agent Industry | 59 |
| 18.1 Threat of New Entrants | 59 |
| 18.2 Bargaining Power of Suppliers | 60 |
| 18.3 Bargaining Power of Buyers | 60 |
| 18.4 Threat of Substitutes | 60 |
| 18.5 Rivalry Among Existing Competitors | 60 |
| 19. Conclusion | 61 |
| 20. Critical Success Factors | 62 |
| 20.1 Wide Network of Loyal Service Providers | 62 |
| 20.2 Innovation of Platforms Centered Towards Convenience | 63 |

| | |
|---|-----------|
| 20.3 Strong Ecosystem of Brands | 63 |
| 20.4 Customer-centric Employees | 63 |
| 21. Core Competencies | 64 |
| 21.1 Interactive User-friendly Websites | 64 |
| 21.2 Successful Acquisition Strategy | 65 |
| 21.3 Volume of Strategic Partnerships | 65 |
| 22. Conclusion | 66 |
| 23. SWOT | 67 |
| 23.1 Strengths | 68 |
| 23.2 Weaknesses | 69 |
| 23.3 Opportunities | 70 |
| 23.4 Threats | 72 |
| 24. Conclusion | 73 |
| 25. TOWS Matrix | 74 |
| 26. Strategic Alternatives | 75 |
| 26.1 Strategic Alternative 1 | 75 |
| 26.2 Strategic Alternative 2 | 75 |
| 26.3 Strategic Alternative 3 | 76 |
| 27. Current Strategy Restated | 77 |
| 28. Strategic Question Restated | 77 |
| 29. Recommended Strategy | 78 |
| 30. Revised Mission and Vision | 79 |
| 30.1 Revised Mission | 79 |
| 30.2 Revised Vision | 80 |
| 31. Suggested Activity Systems Map | 81 |
| 31.1 Revised Activity Map | 81 |
| 31.1.1 Implementation of Hotel Chain into Activity Map | 82 |
| 31.1.2 Revised Marketing Activities and Management of Brand Ecosystem | 82 |
| 31.1.3 New Strategic Fit | 83 |
| 32. Porter's 5 Tests Comparison | 84 |
| 32.1 A Unique Value Proposition | 84 |
| 32.2 A Tailored Value Chain | 84 |
| 32.3 Trade-offs Different from Rivals | 84 |
| 32.4 Fit Across the Value Chain | 84 |
| 32.5 Continuity over time | 85 |
| 33. Strategy Justification and Implementation | 85 |
| 33.1 Practicality of Expansion to US | 85 |

| | |
|---------------------------------------|-----------|
| 33.2 Long-term Risk | 85 |
| 33.3 Differentiation from Competitors | 86 |
| 33.4 Financial Feasibility | 86 |
| 33.5 Impact on Stakeholders | 87 |
| 33.6 Connected Trip Fit | 87 |
| 34. Final Conclusion | 88 |
| 35. Appendix | 89 |
| Brief History | 89 |
| Organizational Structure | 89 |
| Management | 90 |
| Ownership | 90 |
| Culture | 90 |
| Markets | 91 |
| Products/Services | 91 |
| Income Statement | 94 |
| Balance Sheet | 95 |
| Cash Flow Statement | 96 |
| 36. Works Cited | 97 |

1. Executive Summary

This thesis focuses on the ecosystem of brands under Booking Holdings through internal and external analysis of factors that shaped the following strategic hypothesis:

Booking Holdings has been rapidly acquiring brands in the field of online travel services and reservation services. The current brands under the company include Booking.com, KAYAK, Priceline.com, Agoda.com, Rentalcars.com, and OpenTable. The rapid growth of the company weakened the management of the brand ecosystem within Booking Holdings and caused a disconnection between effective innovation and resource allocation. As Booking Holdings struggles to keep-up with the emerging competition, a change in customer behavior is also threatening the company to lose a significant market share in the online travel agent industry. The demand for alternative services is causing a negative decrease in profit margins and fewer available options due to space constraints typical for alternative accommodations. Furthermore, the company has been heavily affected by the ongoing pandemic of Covid-19, which significantly reduced the net income and forced Booking Holdings to slow down their acquisition rate, which will put the company in a disadvantage against emerging competition such as Google and Amazon.

As Booking Holdings is composed of six interconnected brands struggling to work efficiently as one unit, the thesis will be addressing the following question: What strategy should Booking Holdings apply to strengthen their management of the brand ecosystem, overcome the changes in customers behavior and keep-up with emerging competition to maintain and sustain its competitive advantage?

The internal analysis consists of evaluating the environment of the company through business model canvas, activities map, strategic fit, Porter's 5 tests of strategy, financial performance, the strengths, and the weaknesses of the company. The external analysis depicts the trends influencing the industry, the political, economic, technological, and legal factors, competitors in the industry, Porter's 5 forces, and the opportunities and threats for Booking Holdings. Based on analysis of internal and external factors, a set of strategic alternatives has been considered through the TOWS matrix to craft the recommended strategy, which suggests to: *Introduce one app that will offer all services from the 6 brands under the ecosystem with unified payment system, full trip packages (offering airplane tickets, a wide spectrum of alternative accommodation options and transportation), a monthly subscription plan that will offer highly personalized deals to loyal customers and expand their brick-and-mortar hotel chain operated by KAYAK in the US market.*

2. Introduction

Booking Holdings is an American company, operating in the field of online travel and related services. The company provides its services globally through six brands including Booking.com, KAYAK, Priceline.com, Agoda.com, Rentalcars.com, and OpenTable. Furthermore, the company has rebranded its name from Priceline Group to Booking Holdings in 2018 to better represent its largest core brand, Booking.com¹. The company's brands are built on providing user-friendly multi-sided platforms that offer users a broad spectrum of services cheaply and conveniently. Aside from targeting travelers, the platforms are based on partnership and affiliate programs with service providers such as hotel chains, which allows their customers to reach wide range of travelers easily.

Booking Holdings is currently focusing on shifting to alternative accommodations from conventional offers. In the 2nd quarter of 2020 bookings for alternative accommodations totaled 40% of new bookings on Booking.com and 33% in the 3rd quarter². The growth of popularity of alternative accommodations significantly reduces the room availability for the travelers to book, due to the space constraints³. This type of accommodations also carries a higher risk associated with cancellation and payment and decreases the profit margins due to additional costs⁴. These factors among others may have a negative long-term impact on the profit margins of Booking Holdings and decrease their market share.

Booking Holdings has attempted to respond to the changes in customer behavior and the intensifying competition in the industry by adapting a *Connected Trip* strategy that focuses on connecting the ecosystem of their brands to create one platform for all their services. Nonetheless, this strategy has not been done efficiently due to the weak management of the brand ecosystem⁵. The thesis will be addressing the following question to examine the internal and external environment of the company that led to their weak management of brand ecosystem: What strategy should Booking Holdings apply to strengthen their management of the brand ecosystem, overcome the changes in customers behavior and keep-up with emerging competition to maintain and sustain its competitive advantage?

¹ Moise, Imani. "Priceline Group Rebrands to Booking Holdings." The Wall Street Journal, Dow Jones & Company, 21 Feb. 2018, www.wsj.com/articles/priceline-group-rebrands-to-booking-holdings-1519226212.

² Duff, Greg. "Online Travel Update: Kyte Is Featured in PhocusWire's Hot Travel Startups for 2021; Booking Holdings Discusses Pressures Predicament of the Hotel Industry; Airbnb's IPO Upholds Its Status as a Global Distribution Powerhouse." JD Supra, Foster Garvey PC, 25 Nov. 2020, www.jdsupra.com/legalnews/online-travelupdate-kyte-is-featured-84777/.

³ Booking Holdings. Form 10-k 2019, 2020. Web. Feb 26, 2020. Accessed Feb 09 2021.

<https://ir.bookingholdings.com/static-files/92c3d5b6-8f42-4686-afc1-f6bd61b94e06> (p. 37)

⁴ Ibid.

⁵ Schaal, Dennis. "Booking Holdings Admits to Having Critical Failures Even Before the Pandemic." Skift, 26 Apr. 2020, skift.com/2020/04/25/booking-holdings-admits-to-having-critical-failures-even-before-the-pandemic/.

3. Strategic Overview

3.1 Business Activities

Booking Holdings mainly operates through on-line booking and reservation platforms. They earn majority of their revenues through three main categories: agency, merchant, and, advertising and other. The company charges commissions based on nights booked per room. Their services are easily accessible through direct sales on their websites and apps, and through indirect channels such as search engines.

Each of the brands under Booking Holdings focuses on a unique service, despite operating in the same industry. Booking.com operates through providing a platform for booking of accommodations based on dynamic pricing and is focused on the European market. Priceline.com focuses on offering discounted travel reservation services in the North America. Kayak is meta-data search engine that offers price comparisons of travel related services in the United States. Agoda is providing accommodations booking; however, they are specialized for the Asian market. Rentalcars.com is offering users to book rental cars on-line, and OpenTable provides services tailored for restaurants to manage their reservations, and allows their customers to make a reservation for restaurants comfortably from home.

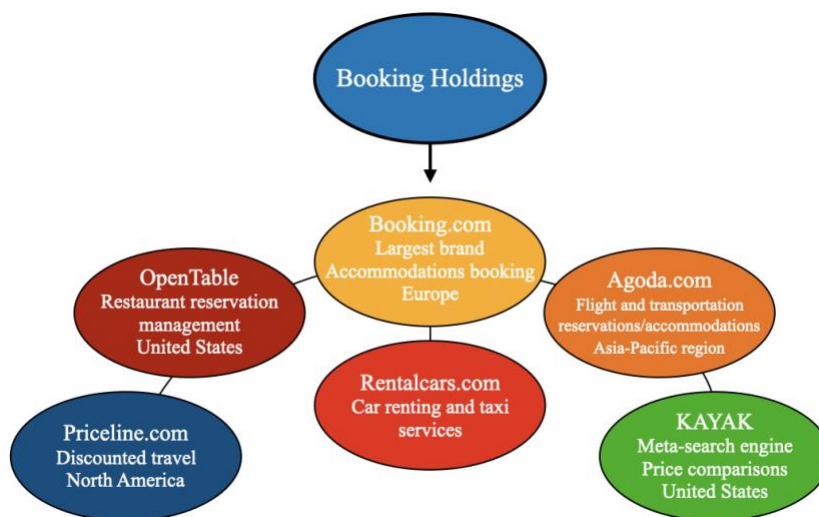


Figure 1. The graph shows Booking Holdings’ brand ecosystem, with their main area of operations and most significant geographical presence. **Made by the author.**

The chart below is portraying the revenues generated by Booking Holdings based on the three categories outlined above. Booking Holdings only publishes consolidated financial statements, therefore, information about the financial performance of individual brands is not available.

Revenues Generated in 2020 Based on the Revenue Stream Categories

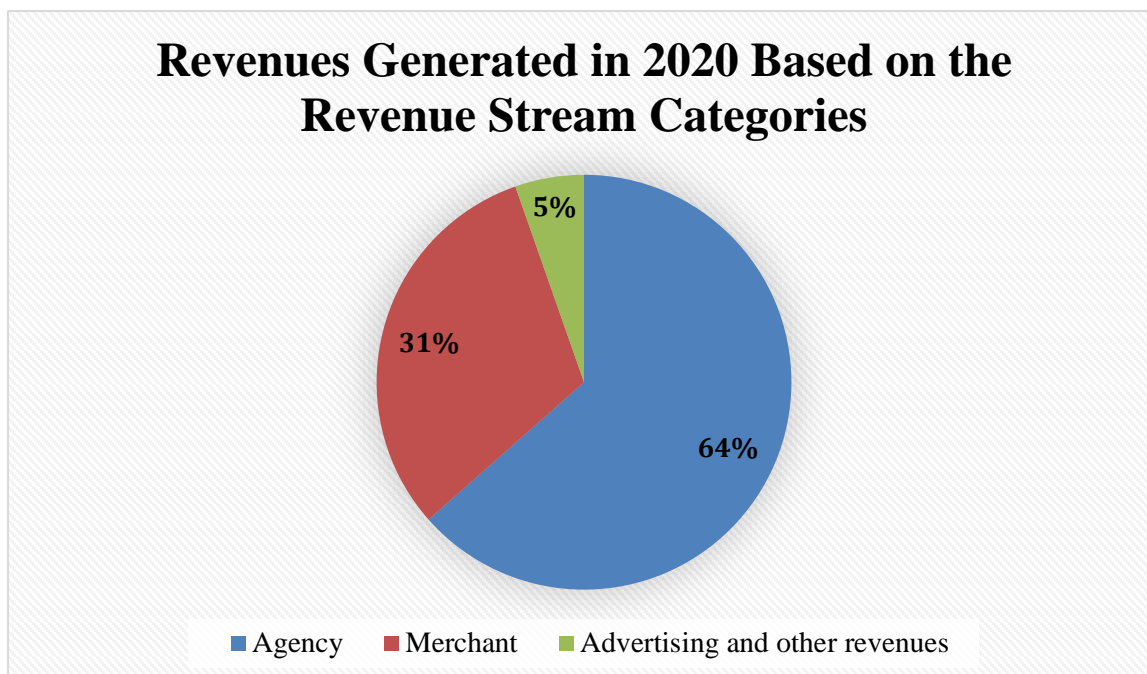


Figure 2. The chart shows Booking Holdings' revenue by revenue stream category as percentages of total revenue. **Based on Booking Holdings' 10-K 2020, 2021⁶. Made by the author.**

This section is based on the 10-K Form of Booking Holdings for 2020, published in February 2021⁷.

Agency revenues are based on travel-related transactions, where Booking Holdings does not facilitate payment from travelers for the services provided. Agency revenues are generated from travel reservation commissions. Merchant revenues are from travel related transactions where payments for travelers is facilitated. Merchant revenues derive from travel reservation commissions, transaction net revenues, credit card processing rebates and customer processing fees. Advertising and other revenues are primarily from revenues generated by KAYAK and OpenTable. Specifically, from sending referrals to online travel companies and travel service providers, advertising placements on their platforms, fees paid by restaurants for diners seated through OpenTable's online reservation service and subscription fees for restaurant management services.

The total revenues significantly decreased by 55% from 2019 to 2020 due to the Covid-19 pandemic. The company also had a financial obligation to pay refunds to travelers, which reduced the revenues by \$44 million. The customers were eligible to cancel their reservations without a fee, which reinforced the negative impact on the reservation platforms during 2020.

⁶ Booking Holdings. Form 10-k 2020, 2021. Web. Feb 24, 2021. Accessed Feb 28 2021. <https://ir.bookingholdings.com/index.php/static-files/1bef31b8-a49d-4aed-9a20-0b02e5254007> (pp. 56-57)

⁷ Booking Holdings. Form 10-k 2020, 2021. Web. Feb 24, 2021. Accessed Feb 28 2021. <https://ir.bookingholdings.com/index.php/static-files/1bef31b8-a49d-4aed-9a20-0b02e5254007> (pp. 56-57)

3.2 Brand Ecosystem of Booking Holdings

3.2.1 The Definition of Brand Ecosystem

A brand ecosystem is defined as set of unique activities among multiple brands under one inter-connected system that are directly shaping the overall value chain of the company and the customer experience⁸. In the on-line travel agent industry, it is common for companies to heavily acquire brands that offer a variety of services to gain competitive advantage in the scale of services provided to customers as conveniently as possible. Furthermore, the variety of brands within a company's portfolio and a strong acquisition strategy will result in creating a superior value for the travelers and the service providers.

3.2.2 The Operations of the Brand Ecosystem of Booking Holdings

The platforms of Booking Holdings' brands are designed to have similar appearance for easy and convenient use when users are transitioning between services they are booking. This is the first connected brand experience the customers will perceive. While using the platforms of each brand the users will get offers that are inter-connecting the service offered by the other brands under the company. For example, when using Booking.com, the users may notice the integration of Rentalcars.com, which is allowing the users to book a car conveniently while booking their accommodations. Booking Holdings is also developing their payment methods to improve the customer experience with paying for the services provided by the six brands⁹. The company has not been successful to efficiently manage the ecosystem of brands to fully utilize their potential, which currently compromises the operations of their brand ecosystem¹⁰.

3.2.3 The Core of the Brand Ecosystem

In the core of the brand ecosystem is Booking.com, because it is the largest and most profitable brand under Booking Holdings¹¹. The platform for Booking.com is one of the "top thematic platforms in tourism," it is heavily focused on generating strong brand image and

⁸ Pinar, Musa & Trapp, Paul & Girard, Tulay & Boyt, Thomas. (2011). Utilizing the brand ecosystem framework in designing branding strategies for higher education. *International Journal of Educational Management*. 25. 724-739. 10.1108/09513541111172126. (p. 729)

⁹ Sorrells, Mitra. "Booking Holdings Integrates Brands, Develops Payment Capabilities in Quest for 'Connected Trip.'" *PhocusWire*, PhocusWire, 7 Aug. 2019, www.phocuswire.com/Booking-Holdings-q2-2019-earnings.

¹⁰ Schaal, Dennis. "Booking Holdings Admits to Having Critical Failures Even Before the Pandemic." Skift, 26 Apr. 2020, skift.com/2020/04/25/booking-holdings-admits-to-having-critical-failures-even-before-the-pandemic/.

¹¹ Moise, Imani. "Priceline Group Rebrands to Booking Holdings." *The Wall Street Journal*, Dow Jones & Company, 21 Feb. 2018, www.wsj.com/articles/priceline-group-rebrands-to-booking-holdings-1519226212.

superior booking experience through user generated content¹². Users are encouraged to leave reviews and ratings based on their experiences with the services they have booked, which allows customers to book wisely and efficiently. Furthermore, the brand has increased customer loyalty due to high degree of satisfaction and trust from customer stemming from strong reliability of the platform¹³. Booking.com binds the user experience to other brands throughout Booking Holdings, such as the Rentalcars.com inter-connection. Nonetheless the potential of the platforms to expand and connect with other brands has not been effectively managed.

3.2.4 *Connected Trip Experience*

The Connected Trip strategy is aiming to expand the services provided by Booking Holdings and inter-connect their brands, as well as their partners/affiliates to optimize the user experience with booking, reservation of offered services and the payment methods. Moreover, according to Fogel, integrating robust flight product and a payment platform is the key for successfully piloting the *Connected Trip* experience to the users¹⁴. The connection of variety of services will also allow the company to customize the booking experience for the customers and increase their loyalty. These activities strengthen the competitive advantage of Booking Holdings.

In addition to focusing on improving payment methods and payment platforms for the customers, the company is also aiming to connect their current offer of accommodations, primarily on Booking.com, with alternative accommodations¹⁵. This is important mainly to strengthen the ecosystem of the brand management in the United States market and capture larger market share by introducing innovative options for bookable services on the platforms of Booking Holdings.

3.2.5 *Payment Methods*

Payment methods are one of several tools that create a convenient booking and reservations experience for the customers using platforms under the ecosystem of Booking

¹² Teresa Borges-Tiago, Maria, et al. "Differences between TripAdvisor and Booking.Com in Branding Co-Creation." *Journal of Business Research*, vol. 123, Feb. 2021, p. 382. *EBSCOhost*, doi:10.1016/j.jbusres.2020.09.050.

¹³ da Silva e Cruz, Raquel, and Alzira Maria da Ascensão Marques. "Determinants OF LOYALTY TOWARD Booking.Com BRAND." *International Journal of Management Science & Technology Information*, no. 11, Jan. 2014, p. 117. *EBSCOhost*, search.ebscohost.com/login.aspx?direct=true&db=bsu&AN=113484045&site=ehost-live.

¹⁴ Sorrells, Mitra. "Booking Holdings Sees Revenue Drop 55% in 2020." *PhocusWire*, PhocusWire, 25 Feb. 2021, www.phocuswire.com/booking-holdings-focuses-on-payment-platform-connected-trip-and-us-growth-as-q4-revenue-bookings-down-60-percent.

¹⁵ *Ibid.*

Holdings. The company has recently created a partnership between Agoda.com and Atome to launch a new payment feature called instant payment¹⁶. This is a significant partnership because it is a step towards executing the *Connected Trip* experience. The services of Atome are operating based on *Buy now, Pay Later* and bring flexibility to the customers mainly in Singapore, Malaysia, and other Southeast regions that will be included throughout 2021¹⁷. The importance of the payment methods is crucial in order to provide more flexibility to customers, secure the reliability of the payments, and avoid incurring additional payment processing costs¹⁸.

3.2.6 Weaknesses of Executing Connected Trip Experience

As the competition intensifies in the online travel agent industry most significant players including Expedia, Trip.com and Google shifted their focus on the *Connected Trip* strategy, therefore, Booking Holdings is not the only company that is working to achieve full inter-connection of their brand ecosystem¹⁹. This is creating a weakness of low differentiation from the competitors. Furthermore, Google has a clear competitive advantage, as it has a much easier access to larger customer base and behavioral database that will form the *Connected Trip* experience more effectively in comparison to Booking Holdings²⁰. The complexity of this task is creating another significant weakness, as the company itself could not succeed yet²¹.

3.2.7 Market Presence in United States

Despite Booking Holdings being an US based company, they have been more focused on operating in the European market. KAYAK and OpenTable's presence in the US have not fulfilled the expectations as Expedia remains a tough competitor. Booking.com, Booking Holdings largest brand, is based in Netherlands, which is reinforcing the focus on the European market, while strategically decreasing tax obligations. The geographical exposure is ultimately giving Booking Holdings a competitive advantage over its competitors. The European hospitality and travel market provides a better environment to profit off higher commissions

¹⁶ Atome. "Agoda Launches Regional Instalment Payment Option with Atome." *Business Insider*, Business Insider, 20 Dec. 2020, markets.businessinsider.com/news/stocks/agoda-launches-regional-instalment-payment-option-with-atome-1029908909.

¹⁷ Ibid.

¹⁸ Booking Holdings. Form 10-k 2020, 2021. Web. Feb 24, 2021. Accessed Feb 28 2021.

<https://ir.bookingholdings.com/index.php/static-files/1bef31b8-a49d-4aed-9a20-0b02e5254007> (p. 34)

¹⁹ Engels, Gino. "The Connected Trip: A Sensible but Perhaps Perilous Obsession." *Hospitality Technology*, 1 Mar. 2020, hospitalitytech.com/connected-trip-sensible-perhaps-perilous-obsession.

²⁰ Ibid.

²¹ Schaal, Dennis. "Booking Holdings Admits to Having Critical Failures Even Before the Pandemic." *Skift*, 26 Apr. 2020, skift.com/2020/04/25/booking-holdings-admits-to-having-critical-failures-even-before-the-pandemic/.

from smaller boutique hotels, rather than large hotel chains that have higher bargaining power over commission that are in the United States markets²². Due to these conditions, Booking Holdings' presence in the United States has been weak, and continues to soar, however in terms of long-term strategic growth, gaining stronger market position in the US would be desirable.

3.2.8 Market Presence in Asia

Booking Holdings has been investing heavily into strategic and financial partnerships with Asian on-line travel agencies since 2012. This is important for the strategic overview, as the Asian travel market is predicted to expand rapidly in the next 30 years²³. Apart from operating Agoda.com in the Asian-Pacific market the company acquired four Asian companies in the past 9 years, including Ctrip (2012- this brand is currently under Trip.com Group), Meituan Dianping (2017), Didi Chuxing (2018) and Grab (2018)²⁴. All the companies are operating in the tech industries and specialize in online travel, ride-hailing, ridesharing and platforms for food delivery, and retail shopping. Booking Holdings has successfully expanded to the Asian markets through equity investments that allowed the company to navigate through strict legal barriers and reach a larger customer base. This allowed Booking Holdings to significantly expand their service offerings and satisfy the growing demand for online travel and booking platforms in Asia. However, one of the downfalls was the lack of options for payment methods, resulting in the decrease in customer satisfaction and demand for the platforms under Booking Holdings, therefore, the company responded with the shift to the *Connected Trip* strategy to improve the shortcomings²⁵.

4. Mission

The following is the mission statement stated by Booking Holdings, "*The mission of Booking Holdings is to make it easier for everyone to experience the world*"²⁶. This mission statement is brief, nonetheless, it depicts the efforts of the company to make it convenient for

²² Sanchez, Luis. "Why Booking Holdings Is a Better Investment Than Expedia." *The Motley Fool*, The Motley Fool, 19 Dec. 2019, www.fool.com/investing/2019/12/19/booking-holdings-better-investment-than-expedia.aspx.

²³ CFA, Luis Sanchez. "Why Booking Holdings Is Investing in Asian Tech Companies." *The Motley Fool*, The Motley Fool, 18 Dec. 2019, www.fool.com/investing/2019/12/18/why-booking-is-investing-in-asian-tech-companies.aspx.

²⁴ Ibid.

²⁵ Sorrells, Mitra. "Booking Holdings Sees Revenue Drop 55% in 2020." *PhocusWire*, PhocusWire, 25 Feb. 2021, www.phocuswire.com/booking-holdings-focuses-on-payment-platform-connected-trip-and-us-growth-as-q4-revenue-bookings-down-60-percent.

²⁶ Holdings, Booking. "Factsheet." *Booking Holdings*, 1 Mar. 2021, www.bookingholdings.com/about/factsheet/#:~:text=The%20mission%20of%20Booking%20Holdings,everyone%20to%20experience%20the%20world.&text=Booking%20Holdings%20is%20the%20world%20leader%20in%20online%20travel%20%26%20related%20services.

travelers and service providers to connect to make it easier to book travel related services and enjoy the trip at cheaper costs. The mission statement could be expanded to better portray the company's values, as it does not fully connect the brands together in a meaningful manner. It is a vaguely worded statement, and does not describe the activities of the company sufficiently. The mission statement that would describe the company better could be: *To provide a diverse ecosystem of services to empower travelers and service providers to experience the world in an easier and efficient manner.* A new mission statement will be suggested based on the recommended strategy.

5. Vision

The vision of Booking Holdings is not specified by the company. However, the current suggested vision could be: *To offer a robust user-friendly ecosystem of travel related brands all in one place in an efficient and cost-effective manner.* A new vision statement will be suggested based on the recommended strategy.

6. Conclusion

Despite the significant decrease of total revenue from 2019 to 2020 due to the ongoing pandemic, the company is promising to focus on improving their offer of services to turnaround their unsuccessful attempts to execute the *Connected Trip* strategy. Nonetheless, the disproportionate resource allocation, stemming from a strong focus on Booking.com, is complicating the intra-connection of other brands to the strategy, as they are primarily operating as separate entities. Booking Holdings is lacking a strong market presence in the United States online travel agent market, therefore, it is unclear whether offering diversified payment methods would directly improve their position. In addition, KAYAK and OpenTable has not been able to gain and retain a loyal customer base, and failed to capture a significant market share in the US. Furthermore, the absence of a clear vision statement may cause a lack of direction for the brands, and complicate the effort to unify the brands to achieve the production of superior value for the customer.

7. Business Model Canvas

| | |
|-------------------------------|---|
| Customer Segments | <ul style="list-style-type: none"> ● Mass market ● Multi-sided platform ● Segmented into <ul style="list-style-type: none"> ○ Travelers- leisure and corporate ○ Providers of travel related services |
| Value Proposition | <p>For travelers to book accommodations and travel related services conveniently, at cheaper prices with a wide range of choice.</p> <p>For service providers to conveniently advertise their accommodations/services to a broad spectrum of travelers.</p> |
| Channels | <ul style="list-style-type: none"> ● Direct <ul style="list-style-type: none"> ○ Sales through websites and apps ● Indirect <ul style="list-style-type: none"> ○ Sales through search engines and referrals |
| Customer Relationships | <ul style="list-style-type: none"> ● Self service ● Automated services ● 24/7 customer service |
| Revenue Streams | <ul style="list-style-type: none"> ● Online sales ● Revenue is generated through commissions and on-line marketing <ul style="list-style-type: none"> ○ Agency and merchant models ○ Dynamic pricing ● Brands providing revenue streams <ul style="list-style-type: none"> ○ Booking.com, Priceline.com, KAYAK, Agoda.com, Rentalcars.com and OpenTable |
| Key Resources | <ul style="list-style-type: none"> ● Physical <ul style="list-style-type: none"> ○ IT infrastructure ● Intellectual <ul style="list-style-type: none"> ○ Patents, licensing, on-line sites and ecosystem of platforms, apps, customer data ● Human <ul style="list-style-type: none"> ○ Employees ● Financial <ul style="list-style-type: none"> ○ Resources to finance acquisitions and operations |
| Key Activities | <ul style="list-style-type: none"> ● Management of brand ecosystem ● Handling customer relations management ● Development and maintenance of relationships with key partners ● Marketing activities ● Development of on-line platforms/apps and maintenance |
| Key Partnerships | <ul style="list-style-type: none"> ● Service providers including <ul style="list-style-type: none"> ○ Hotels |

| | |
|-----------------------|---|
| | <ul style="list-style-type: none"> ○ Hotel chains ○ On-line travel agents ○ Property owners ○ Affiliates ○ Technology partners ○ Meta search engines ○ Third party providers of booking for corporate organizations ○ Airlines ○ Car rental providers ○ Restaurants |
| Cost Structure | <ul style="list-style-type: none"> ● Cost driven 60% ● Value driven 40% ● Majority of assets are in cash and cash equivalents, long-term investment and intangible assets ● Majority of expenses are from advertising |

Figure 3. The table shows the Business Model Canvas for Booking Holdings. **Made by the author.**

7.1 Customer Segments

Booking Holdings focuses on mass market multi-sided platforms and is targeting two main customer segments. The first customer segment are travelers, more specifically people who are searching for a convenient and cost-efficient way to make bookings and reservations prior to their trip. The traveler segment can be further segmented into geographical locations, type of accommodations, solo travelers, or family travelers, however the most significant segments discussed in the thesis is leisure and corporate travel. The second customer segment are the service providers that provide services such as accommodations. The service providers are seeking to reach a broad spectrum of customers from being advertised on Booking Holdings' platforms. The service providers can benefit from referrals and higher levels of booked rooms per night, which increase their profits and positively affect the utilization of the services. The ecosystem of brands under Booking Holdings provides services to the travelers with a diverse price range, which accommodates needs of most travelers and allows a wide variety of service providers to use Booking Holdings' services.

7.2 Value Proposition

The company has two value propositions for each customer segment. The value proposition for travelers is *to book accommodations and travel related services conveniently, at cheaper prices with a wide range of choices*. The value proposition for the service providers is *to conveniently advertise their accommodation/services to a broad spectrum of travelers*.

Booking Holdings is shifting their emphasis on integrating their ecosystem of brands to create a better range of platforms with added benefits, such as improved payment methods. The company is utilizing the partnerships with meta-data search engines and their strong network of key partners and affiliates, to increase brand visibility and attract new customers through the network effect. The company enables users to search for accommodations and travel related services quickly, conveniently and find offers for better prices. Booking Holdings has developed a highly automated set of search tools, which are adding convenience and personalized ads for the customers. Travelers can book their trip based on factors such as price, geographical location, or ratings of previous customers among many others.

7.3 Channels

Booking Holdings use a combination of direct channels such as website and app sales, and indirect channels through their partners. The company relies heavily on advertising of their brands through search engines such as Google. This has proven to be challenging, as Google itself has entered the online travel industry and Booking Holdings is incurring increased expenses on marketing and brand awareness on Google search results, in order for the company to maintain high traffic and visibility of their platforms²⁷. Booking Holdings also takes advantage of their network of affiliates and key partners to attract more customers and retain high conversion rates.

7.4 Customer Relationships

Booking Holdings is utilizing automated services in combination with personal assistance through online communication channels such as online chats or customer service that is available 24/7. Due to the scale of the company, the customer service offers benefits to the customers in form of timely responses and clear set of guidelines/instructions to customers who are experiencing issues with their bookings.

7.5 Revenue Streams

The main source of revenue for Booking Holdings is generated by commissions made through booked rooms per night of the service providers. Booking.com is the company's largest brand, therefore it generates the highest revenue. Booking.com has over 28 million reported

²⁷ BLOOMBERG. "Google's Embrace of Search Ads Crushes Online Travel Agents." Los Angeles Times, Los Angeles Times, 8 Nov. 2019, www.latimes.com/business/story/2019-11-08/googles-embrace-of-search-ads-crushesonline-travel-agents.

accommodation listings for customers to choose from while making the travel arrangements²⁸. Overall, the ecosystem of the brands uses agency and merchant strategy models in conjunction with dynamic pricing to generate revenue. The consolidated revenue Booking Holdings earned in 2020 was \$6,796 million²⁹.

7.6 Key Resources

Booking Holdings' key resources include human, intellectual, financial, and physical assets. Booking Holdings has been able to generate high volume of free cash flow that is allowing the brand to maintain the high acquisition rate of brands, however the pandemic brought uncertainty in terms of their long-term financial ability to finance long-term investments³⁰. Their key human resources include IT personnel, customer service employees to provide 24/7 services to customers, and their partners that offer their services on Booking Holdings ecosystem of platforms. The intellectual resources include their online platforms, patents, licensing, apps, and customer data. Physical assets are composed of the IT infrastructure and properties.

7.7 Key Partnerships

Booking Holdings maintains partnerships with hotels, hotel chains, affiliates, online travel agents, property owners, tech partners, meta-data search engine partners, third party providers of booking services for corporate organizations, airlines, payment platforms, car rental services and restaurants. Furthermore, Booking Holdings has tried to mitigate the risk of losing Google as a channel to their platforms through a strategic partnership that offers customers special deals and a more convenient booking experience called Google Nest³¹. Recently, Booking Holdings went into partnerships with Venga to expand their guest management platforms for restaurants, Grab, to improve their ride-hailing services in the

²⁸ "Booking.Com: The Largest Selection of Hotels, Homes, and Vacation Rentals." *Booking.Com*, 2021, www.booking.com/content/about.html?aid=356980&label=gog235jc-1BCBQoggJCBWFib3V0SDNYA2g6iAEBmAEFuAEHyAEM2AEB6AEBiAIBqAIDuAL29siCBsACAdICJDZkNWY4MzcxLWRiOGItNDFjMS1hMzY0LWIwNTkzZDQ1NmFINtgCBsACAQ&sid=9e9b74a8b9acdbf59383e0e51f274afe&tmpl=docs%2Fabout&lang=en-us&soz=1&lang_click=other;cdl=cs;lang_changed=1.

²⁹ Booking Holdings. Form 10-k 2020, 2021. Web. Feb 24, 2021. Accessed Feb 28 2021. <https://ir.bookingholdings.com/index.php/static-files/1bef31b8-a49d-4aed-9a20-0b02e5254007> (page 82)

³⁰ Johnson, Jeffrey. Columbia, 2019, pp. 1–10, "Booking Holdings Inc. (Nasdaq: BKNG)", <https://www8.gsb.columbia.edu/valueinvesting/sites/valueinvesting/files/pictures/BKNG.pdf>

³¹ PR Newswire. "Booking.Com and Google Nest Announce Partnership to Enhance Trip Experience for Travelers." PR Newswire US, 19 Dec. 2019. EBSCOhost, search.ebscohost.com/login.aspx?direct=true&db=bwh&AN=201912191639PR.NEWS.USPR.LN73637&lang=cs&site=ehost-live.

Booking.com mobile app, and Duke of Sussex, Ctrip, Skyscanner and Visa to invest into new travel platform called Travalyst³².

7.8 Cost Structure

Booking Holdings cost structure is 60% cost driven and 40% value driven. The company is focusing on providing customers with convenient booking tools and wide variety of choice; however, they also provide cheaper rates and better deals for accommodations to incentivize users to book on the platforms of Booking Holdings, rather than directly through the service providers. Most assets of the company are cash and cash equivalents, long-term investment and intangible assets, such as goodwill and long-term investments, and most expenses arise from performance marketing³³.

8. Key Activities

The Key Activities of Booking Holdings are essential to achieve strategic fit and generate superior value for the customers. The company has five main activities that are supported by several sub-activities working together to create a functional ecosystem of brands. The main activities consist of management of brand ecosystem, development of online platforms/apps and maintenance, handling customer relationship management, marketing activities and development and maintenance of relationships with key partners.

8.1 Management of Brand Ecosystem

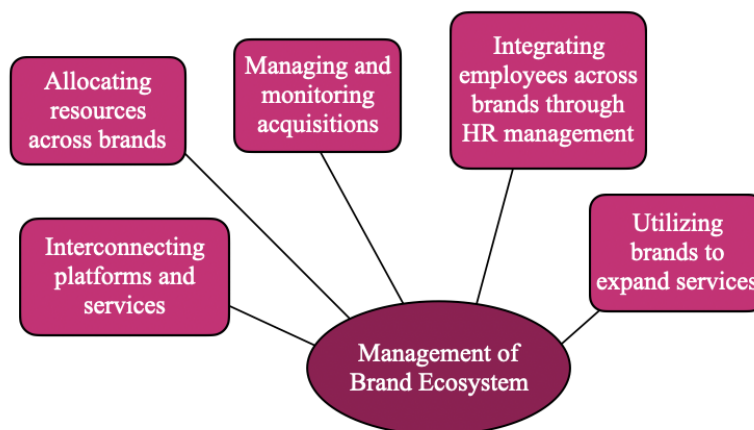


Figure 4. The graph shows Booking Holdings’ main activity “Management of Brand Ecosystem” along with its sub-activities. **Made by the author.**

³² “MarketLine Company Profile: Booking Holdings Inc.” Booking Holdings Inc MarketLine Company Profile, 25 June 2020, pp. 1–32. EBSCOhost, search.ebscohost.com/login.aspx?direct=true&db=bsu&AN=144657132&lang=cs&site=ehost-live

³³ Journal, Wall Street. “BKNG | Booking Holdings Inc. Annual Balance Sheet - WSJ.” The Wall Street Journal, Dow Jones & Company, 2020, www.wsj.com/market-data/quotes/BKNG/financials/annual/balance-sheet.

Management of brand ecosystem is a key activity, because it is the core of the value proposition of Booking Holdings. The company's operations are based on heavy acquisition of brands that provide services related to online travel agent industry and online booking.

8.1.1 Utilizing Brands to Expand Services

Utilizing brands to expand services is a sub-activity, because it reinforces the value proposition to offer a wide variety of services and it allows the company to provide customers with many options to satisfy needs ranging from low-cost accommodations to luxury accommodations with a high price bracket.

8.1.2 Integrating Employees Across Brands Through HR Management

Integrating employees across brands through HR management is a sub-activity because it allows the company to benefit from the economies of scale effect in terms of employee training and cost of allocation. As the company is expanding rapidly, it is important to integrate employees from newly acquired brands adequately to set clear goals and expectations across the brands.

8.1.3 Managing and Monitoring Acquisitions

Managing and monitoring acquisitions is a sub-activity, because it provides an effective evaluation of potential brand acquisitions. This sub-activity is necessary to allocate financial resources effectively and allows the already acquired brands to operate effectively under the eco-system of brands. As Booking Holdings acquires new brands often, substantial evaluation must be done to prevent wasteful acquisitions that will not be profitable or fit the chain of activities.

8.1.4 Allocating Resources Across Brands

Allocating resources across brands is a sub-activity, because Booking Holdings must prioritize its resource distribution effectively, and evenly allocate resources across all their brands to secure the successful operations of the brand ecosystem.

8.1.5 Interconnecting Platforms and Services

Interconnecting platforms and services is a sub-activity, because as the brands work in an ecosystem, the inter-connection of services will allow the users to benefit from a more convenient booking experience and it will provide a durable competitive advantage to Booking Holdings.

8.2 Development of Online Platforms/Apps and Maintenance

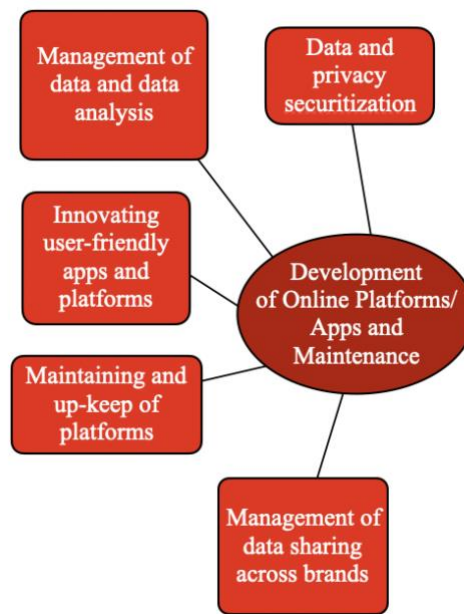


Figure 5. The graph shows Booking Holdings’ main activity “Development of Online Platforms/Apps and Maintenance” along with its sub-activities. **Made by the author.**

Developing online platforms/apps and maintenance is a main activity, because it is a key activity that allows the company to stay competitive and innovative to successfully fulfil their value proposition.

8.2.1 Data and Privacy Securitization

Data and privacy securitization is a sub-activity because it is an activity that provides trust among users and the reliability of the platforms. Securing data of customers is critical task, because the company must protect the privacy and sensitive information of the users and prevent data loss during data sharing between the brands.

8.2.2 Management of Data and Data Analysis

Management of data and data analysis is a sub-activity, because a detailed analysis provides the company with valuable information about the customer’s profile and spending habits. Furthermore, it allows the company to create tailored reports to their partners and affiliates that are used for marketing purposes.

8.2.3 Innovating User-friendly Apps and Websites

Innovating user-friendly apps and websites is a sub-activity, because it allows Booking Holdings to stay competitive in a rapidly evolving and growing market. User-friendly apps and websites are allowing the customers to manage their bookings and reviews effectively and efficiently, which provides increased satisfaction of the customers and long-term loyalty.

8.2.4 Maintaining and the up-Keep of Platforms

Maintaining and the up-keep of platforms is a sub-activity, because it allows the platforms to run seamlessly and reliably without malfunctioning. Furthermore, data up-keep will manage the dynamic exchanges of comments and reviews for user-generated content, which allows users to rate the accommodations and services on the platforms.

8.2.5 Management of Data Sharing Across Brands

The management of data sharing across brands is an important sub-activity. Data collected from each platform carries valuable information about the customers, and allows Booking Holdings to tailor their platforms based on the customers' profiles, thus offer services that will fit those needs through strong pattern recognition. Data sharing across brands also offers Booking Holdings to understand each company individually, while providing an umbrella overview of the ecosystem.

8.3 Marketing Activities



Figure 6. The graph shows Booking Holdings' main activity "Marketing Activities" along with its sub-activities. **Made by the author.**

Marketing activities are a main activity, because Booking Holdings relies on generating customer traffic from on-line advertisements and partnerships with search engines. Marketing activities are driving traffic to the platforms of Booking Holdings, which is essential for high conversion rate and growth of the customer base.

8.3.1 Advertising via Search Engines and Online Travel Agents

Advertising via search engines and online travel agents is a sub-activity, because it allows the ecosystem of brands to attract a wider range of customers through search engines

with stronger customer base. It will increase the efficiency and visibility of the brands, thus solidifying their market position through strong customer awareness.

8.3.2 On-site Advertising and Email Advertising

On-site advertising and email advertising are important and should be acknowledged as a sub-activity, because it increases the awareness of the customers regarding the service options and the variety of possibilities. Email advertising is useful for real-time personalized offers made to customers, as well as, customer service, which is available via email and live chats.

8.3.3 Distributing of Marketing Reports to Affiliates

Distributing of marketing reports to affiliates is a sub-activity, because it provides service providers with an incentive to use the services offered by Booking Holdings to obtain useful information about their customers and improve their understanding of the customer profile for the clients booking through Booking Holdings.

8.3.4 Offering Advertisement Outlets for Key Partners and Affiliates

Offering advertisement outlets for key partners and affiliates is another sub-activity that is supporting the value proposition, because it is making advertising for service providers convenient and effective. Key partners and affiliates will have access a to wider customer base, which will allow them to fill their reservations for rooms per night effectively and efficiently.

8.3.5 Marketing of Individual Brands Across Platforms

Marketing of individual brands across platforms reinforces the brands as separate entities, while expanding the possibilities for the travelers to book different types of services that operate in the brand ecosystem of Booking Holdings. It also allows the brands to be differentiated from each other, and clearly distinguish the services they are providing in each geographical location. However, with *Connected Trip* strategy the emphasis on this activity could decrease.

8.4 Development and Maintenance of Relationships with Key Partners

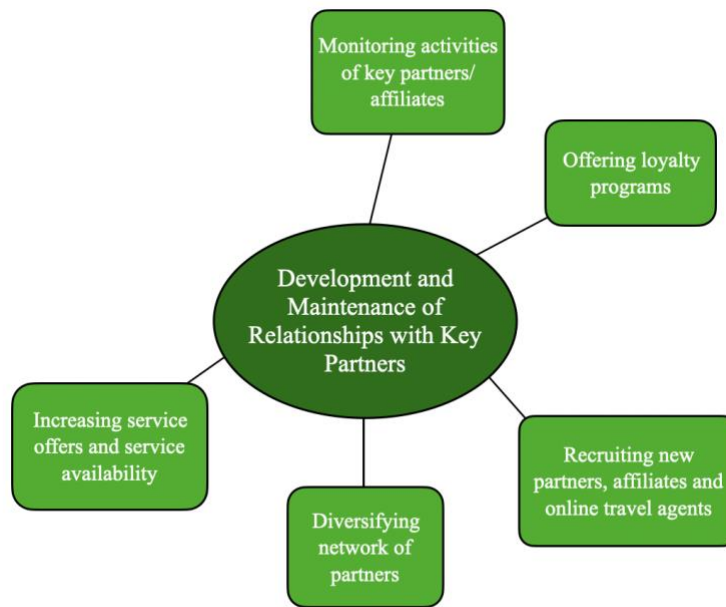


Figure 7. The graph shows Booking Holdings’ main activity “Developing and Maintenance of Relationships with Key Partners” along with its sub-activities. **Made by the author.**

Developing and maintenance of relationships with key partners is a main activity, because Booking Holdings is dependent on working with service providers and affiliates to be able to run their multi-sided platforms and provide customers with a wide spectrum of travel related services. Developing new connections and strategic partnerships is important to offer innovative services and maintain a competitive advantage.

8.4.1 Monitoring Activities of Key Partners and Affiliates

Monitoring activities of key partners and affiliates is a sub-activity, because it allows Booking Holdings to select partners that are the most suitable and eliminate partnerships that will harm the performance of the platforms. Furthermore, the reviews left by the travelers on the profiles of the service providers must be monitored and revised to assess the performance of the advertised services or eliminate irrelevant comments/reviews that are harming the community guidelines.

8.4.2 Offering Loyalty Programs

Offering loyalty programs will develop strong relationships between Booking Holdings and the partners, which will also secure the long-term loyalty and cooperation of the service providers. Loyalty programs are important to integrate, considering the strong competitive forces and low switching costs for customers.

8.4.3 Recruiting New Partners, Affiliates and Online Travel Agents

Recruiting new partners, affiliates and online travel agents is important to provide superior value to the customers and offer wider customer base to the service providers. Continuous improvements and expansion will allow Booking Holdings to stay sustainably competitive. Additionally, the network effect will strengthen the experience of users on both ends of the multi-sided platforms.

8.4.4 Diversifying Network of Partners

Diversifying network of partners is a sub-activity, because the company must continuously expand their services and create new connections, to establish a strong market position with wide spectrum of reliable offerings.

8.4.5 Increasing Service Offers and Service Availability

Increasing service offers and service availability is a sub-activity, because Booking Holdings is focusing on improving their services based on geographical segmentation and international expansion. Adjusting their offered services, as well as payment options, will increase the service availability and customer satisfaction with the brands under the ecosystem of the company.

8.5 Handling Customer Relationship Management

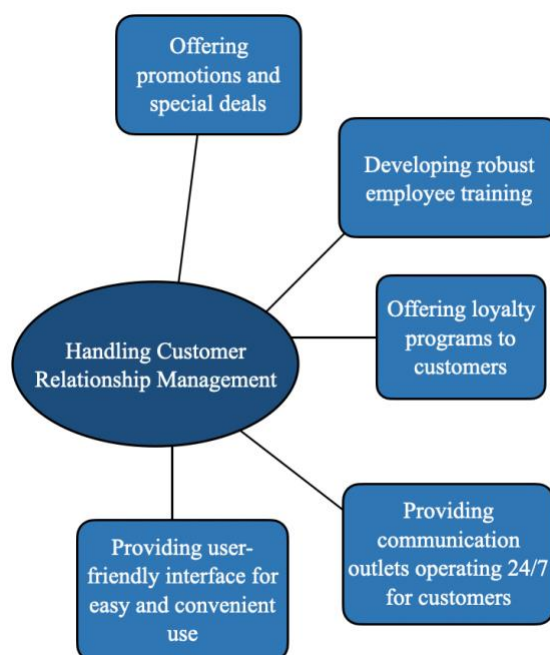


Figure 8. The graph shows Booking Holdings’ main activity “Handling Customer Relationship Management” along with its sub-activities. **Made by the author.**

Handling customer relationship management is a main activity, because Booking Holdings is operating in an increasingly competitive environment and satisfying customer needs will result in long-term loyalty and high conversion rates across the brand ecosystem.

8.5.1 Offering Promotions and Special Deals

This main activity is supported by offering promotions and special deals, which are providing an incentive for customers to return to the platforms under the brand ecosystem and secure better deals for their online reservations. Customers will progressively receive better deals in proportion to the number of bookings they perform through the platforms. Special deals are sent via email to personalize offerings based on the services browsed by the customers on the platforms.

8.5.2 Developing Robust Employee Training

Developing robust employee training will provide a skilled workforce equipped to satisfy the needs of the customers. This is important as an employee-oriented workforce will handle customer relationships effectively, and increase the satisfaction of the customers with using the platforms of Booking Holdings.

8.5.3 Offering Loyalty Programs

Offering loyalty programs establishes long-term relationships and provides the customers with acknowledgment for using the services provided by Booking Holdings. Loyalty programs ensure higher conversion rates and customer satisfaction. However, the current loyalty program for the company could be improved.

8.5.4 Providing Communication Outlets Operating 24/7

Providing communication outlets operating 24/7 for customers ensures that customers can comfortably connect with either customer service or write a review on the platforms anytime without delays. As the platforms under Booking Holdings' ecosystem are concentrated on generating significant amount of content from the users, it is crucial to provide platforms that are continuously operating throughout the day and accommodate users globally. Communication outlets should also be available for live reviews, in order for customers to be able to make informed decisions when making their booking arrangements.

8.5.5 Providing User-friendly Interface for Easy and Convenient Use

Providing user-friendly interface for easy and convenient use will secure the customer satisfaction with their booking experience and reduce miscommunications and customer's pains with booking online travel services. Easy and convenient use will attract more customers to use the platforms of Booking Holdings and will incentivize customers to use the platforms repeatedly.

9. Current Activity Systems Map

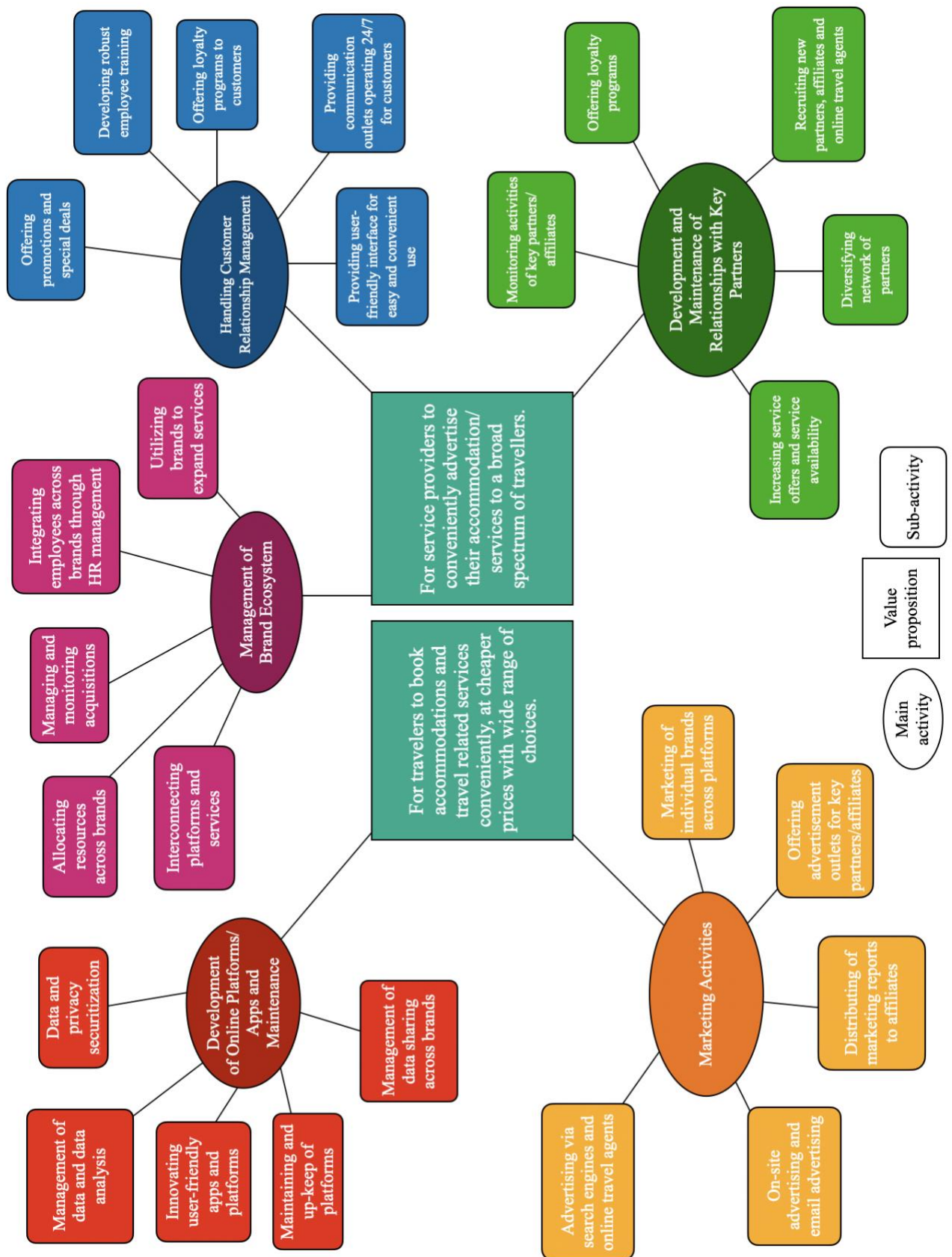


Figure 9. The diagram shows Booking Holdings' Current Activity Systems Map. Made by the author.

10. Strategic Fit

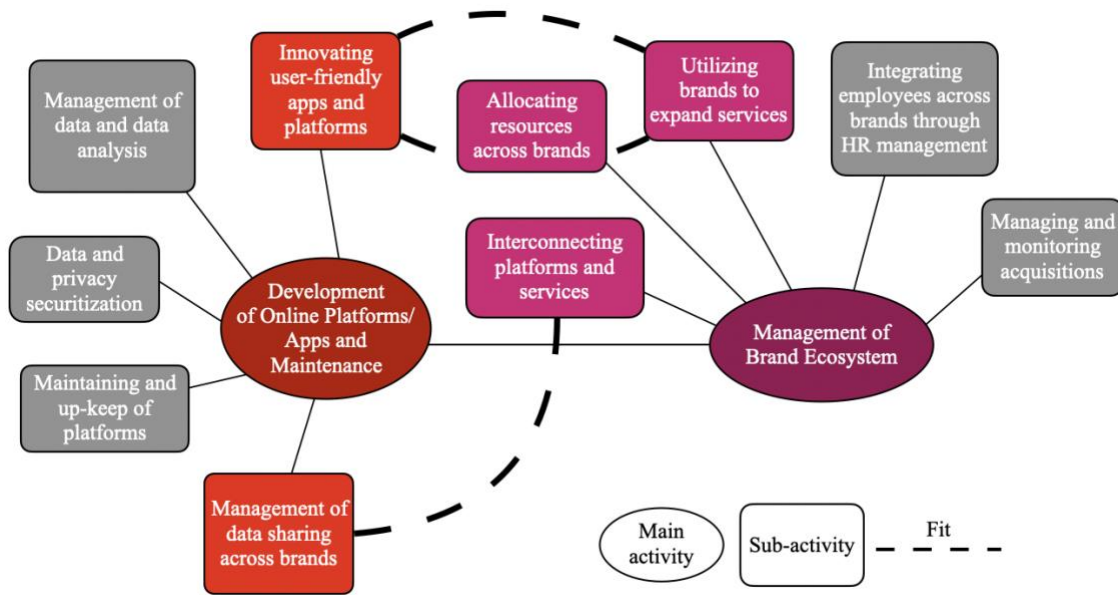


Figure 10. The first strategic fit between two main activities: Development of Online Platforms/Apps and Maintenance; and Management of Brand Ecosystem. **Made by the author.**

There is a strong strategic fit between the two main activities: development of online platforms/apps and maintenance, and management of brand ecosystem. This fit is created through developing a strong relationship between innovation and data sharing across brands with inter-connection of the platforms and services through thoughtful resource allocation within the company. With this strategic fit, the utilization of each brand that is under the ecosystem can be done effectively based on the shared data and economies of scale effect. This strategic fit creates a strong, hard to replicate, chain of activities that will ensure that the ecosystem of brands will remain innovative and provide all their brands with appropriate resources to accommodate the needs of their customers efficiently.

As Booking Holdings operates six brands in the same industry, the interconnection of their platforms is of high significance, in order to mutually reinforce each other to eliminate additional and unnecessary activities. The customers of Booking Holdings will be able to benefit from the wide web of travel related services, while the company will benefit from reduced costs of operations and achieve a competitive advantage.

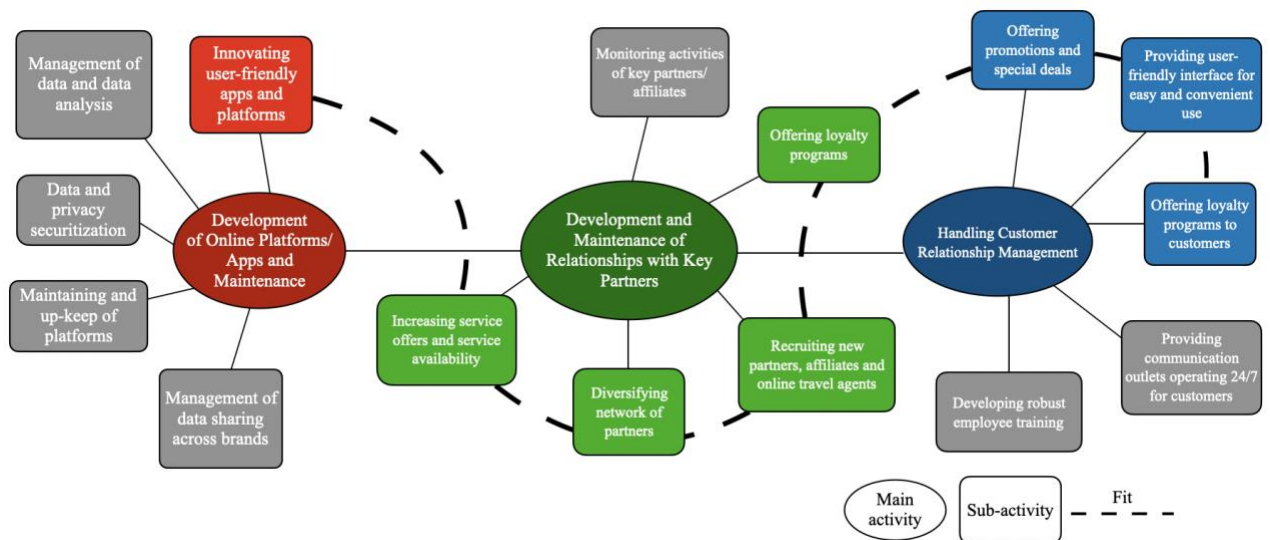


Figure 11. The second strategic fit between three main activities: Development of Online Platforms/Apps and Maintenance; Development and Maintenance of Relationships with Key Partners; and Handling Customer Relationship Management. **Made by the author.**

The second strategic fit is produced between three main activities: development of online platforms/apps and maintenance; development and maintenance of relationships with key partners, and handling customer relationship management. The development and maintenance of relationship with key partners is strongly linked with innovating user-friendly apps and platforms, because Booking Holdings is continuously offering new or improved services for both service providers and travelers to provide a superior variety of offers.

Maintaining relationships with key partners/affiliates and customer relationship management are closely related, as Booking Holdings is operating multi-sided platforms and needs to provide service providers with customers and vice versa. Without these key activities the platforms would fail to offer value to the customer segments or incentivize the users to remain loyal to Booking Holdings through loyalty programs. Loyalty programs are only available due to mutual reinforcement of the two segments, as both segments are benefiting and are receiving a superior value from the ecosystem of platforms. By constant recruitment of new partners, the platforms can offer more to the customers and provide rich user-generated content on the user-friendly and convenient platforms.

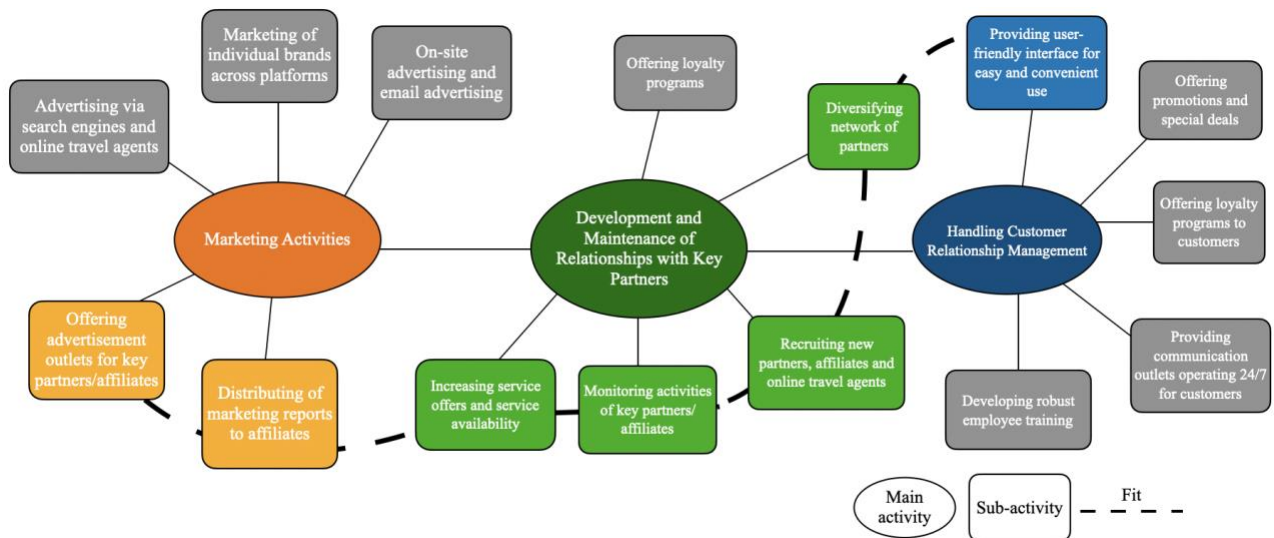


Figure 12. The third strategic fit between three main activities: Marketing Activities; Development and Maintenance of Relationships with Key Partners; and Handling Customer Relationship Management. **Made by the author.**

The third strategic fit is between three main activities: marketing activities; development and maintenance of relationships with key partners, and handling customer relationship management. The fit between these activities exists due to Booking Holdings’ strong dependence on providers of service-related products such as accommodations, to generate a wide variety of services on the platforms in the ecosystem of brands. Marketing activities are offering the service providers a superior value from using Booking Holdings’ platforms. This is done through conveniently placing advertisements and referrals for the service providers on-line and on the platforms of Booking Holdings. The service providers will also receive reports on their performance on the platforms and valuable data about the customers. This activity is linked to the increase of services and recruiting new partners, because it provides a superior value for the service providers in form of important insights. This is ultimately allowing Booking Holdings to provide a user-friendly interface for easy and convenient use.

Through this strategic fit Booking Holdings can provide a superior value for the two main customer segments. Their web of strategic partnerships allows the company to diversify into new services, and is setting up the company to achieve a *Connected Trip* experience if the activities are performed in a meaningful way with appropriate financial support.

11. Current Strategy and Porter's 5 Tests of Strategy

11.1 Current Strategy

The current strategy of Booking Holdings is to utilize their portfolio of brands to create a *Connected Trip* experience. This strategy would provide a platform to conveniently interconnect all the services offered by each brand and expand the payment methods, as well as provide better flight reservation services. This strategy will increase customer satisfaction and strengthen the market position of the company.

11.2 A Unique Value Proposition

Booking Holdings meets the first test of having a distinctive value proposition. Each of the brands owned by Booking Holdings provide a clear understanding of the type of travel related service they offer. Together the six brands form an ecosystem of online travel related platforms that are designed to connect travelers and service providers in a convenient manner. The company focuses on providing two distinct value propositions based on their customer segments, *for travelers to book accommodations and travel related services conveniently, at cheaper prices with a wide range of choices*, and *for the service providers to conveniently advertise their accommodation/services to a broad spectrum of travelers*. Nonetheless, with the introduction of KAYAK's first hotel opening in Miami, the unique value proposition is not clearly met by this brand. It is unclear what direction is KAYAK is going in terms of value they are offering to the customers. It would be advised to either expand their hotel concept and rebrand, or move away from operating just one hotel.

11.3 A Tailored Value Chain

Booking Holdings meets the second test of having a tailored value chain. The company meets this test because of their unique ecosystem of brands and their strong network effect. The network effect is created by the effective relationship between the company's customer segments, and is creating a hard to replicate competitive advantage. Their value chain works together and allows the company to offer a superior value to the customers. The company's main activities are directly supporting the value proposition of the company and consist of management of brand ecosystem, development of online platforms/apps and maintenance, handling customer relationship management, marketing activities and development, and maintenance of relationships with key partners.

11.4 Trade-offs Different from Rivals

Booking Holdings meets the third test of making trade-offs. They pass this test, because the company is focusing on operating online and expanding through acquisitions of brands operating in the field of online travel. Their clearly defined objectives and trade-offs placed Booking Holdings as one of the largest publicly traded online travel company in the industry³⁴. However, their recent shift to opening KAYAK's first hotel in Miami may cause the company to fail this test of having different trade-offs from rivals, as their operations may not be clearly defined in the future, if the brand only operates one hotel that by itself does not fit well in the strategic fit of activities.

11.5 Fit Across the Value Chain

Booking Holdings meets the fourth test of fit across the value chain. The company is successful in acquiring brands that complement and reinforce each other. The strong acquisition strategy is strengthening the overall value chain and the fit of activities, which is providing Booking Holdings with a durable competitive advantage. Nonetheless, they are at risk of not passing this test in the future if they don't focus on strengthening their management of the brand ecosystem.

11.6 Continuity over time

Booking Holdings meets the fifth test of continuity over time. The company has a long history of operations and profitable acquisitions, starting with the introduction of Priceline.com in 1997. The company is continuously working on the development of new platforms and services. Furthermore, the company has successfully developed their brand portfolio over time to create hard to replicate, large scale operations in the industry. However, the company is currently struggling to adapt to the emerging trends in the online travel industry, such as alternative accommodations and shift to booking through smart phones and tablets.

12. Conclusion

The business model canvas and the activities map of Booking Holdings are showing that the company is operating relatively effectively, and is targeting activities that mutually enhance each other to create a durable strategic fit that is providing the customers with a superior value. Booking Holdings is demonstrating their efforts to move to the current strategy of *Connected*

³⁴ Rudy, Thomas. "3 Largest Public Travel Companies By Market Share." Yahoo! Finance, Yahoo!, 16 Aug. 2018, finance.yahoo.com/news/3-largest-public-travel-companies-152052328.html.

Trip, through the shift to share valuable data among the brands and expand their services. This strategy is challenging to accomplish, as the ecosystem of brands under the company is centered around Booking.com and resource allocation may not be efficient. The company is strongly focusing on interconnecting their two main customer segments, due to the nature of multi-sided platforms, to strengthen their loyal customer base and gain bigger market share. The Porter's five tests are demonstrating that Booking Holdings performed well in the past; however, if the company should pass the tests in the future, Booking Holdings must clearly define their objectives and strengthen their management of the brand ecosystem.

13. Financial Analysis

This section is based on the 10-K Form of Booking Holdings for 2020, published in February 2021³⁵.

13.1 Consolidated Statement of Operations and Net Income

| | Year Ended December 31, | | |
|---|-------------------------|-----------|-----------|
| | 2020 | 2019 | 2018 |
| Agency revenues | \$ 4,314 | \$ 10,117 | \$ 10,480 |
| Merchant revenues | 2,117 | 3,830 | 2,987 |
| Advertising and other revenues | 365 | 1,119 | 1,060 |
| Total revenues | 6,796 | 15,066 | 14,527 |
| Operating expenses: | | | |
| Marketing expenses | 2,179 | 4,967 | 4,956 |
| Sales and other expenses | 755 | 955 | 830 |
| Personnel, including stock-based compensation of \$233, \$308 and \$317, respectively | 1,944 | 2,248 | 2,042 |
| General and administrative | 581 | 797 | 699 |
| Information technology | 299 | 285 | 233 |
| Depreciation and amortization | 458 | 469 | 426 |
| Restructuring and other exit costs | 149 | — | — |
| Impairment of goodwill | 1,062 | — | — |
| Total operating expenses | 7,427 | 9,721 | 9,186 |
| Operating (loss) income | (631) | 5,345 | 5,341 |
| Interest expense | (356) | (266) | (269) |
| Other income (expense), net | 1,554 | 879 | (237) |
| Earnings before income taxes | 567 | 5,958 | 4,835 |
| Income tax expense | 508 | 1,093 | 837 |
| Net income | \$ 59 | \$ 4,865 | \$ 3,998 |
| Net income applicable to common stockholders per basic common share | \$ 1.45 | \$ 112.93 | \$ 84.26 |
| Weighted-average number of basic common shares outstanding (in 000's) | 40,974 | 43,082 | 47,446 |
| Net income applicable to common stockholders per diluted common share | \$ 1.44 | \$ 111.82 | \$ 83.26 |
| Weighted-average number of diluted common shares outstanding (in 000's) | 41,160 | 43,509 | 48,017 |

Figure 13. Booking Holdings' consolidated statement of operations and net income. **Source:** Booking Holdings' Form 10-K for 2020, published in 2021³⁶.

The consolidated statement of operations is showing a sharp drop of total revenues and net income from 2019 to 2020. The decrease of total revenues by 55% was mainly caused by the pandemic of Covid-19, as the demand for travel significantly staggered. Furthermore, the bookings related to travel for the year of 2020 were valued at \$35.4 billion, which is a 63% decrease in comparison to 2019³⁷. Booking Holdings has also focused on offsetting their losses by reduction of expenses. Marketing expenses were significantly scaled down by 56%, which directly affected the decrease of total operating expenses by 23.6%. However, Booking

³⁵ Booking Holdings. Form 10-k 2020, 2021. Web. Feb 24, 2021. Accessed Feb 28 2021.

<https://ir.bookingholdings.com/index.php/static-files/1bef31b8-a49d-4aed-9a20-0b02e5254007>

³⁶ Booking Holdings. Form 10-k 2020, 2021. Web. Feb 24, 2021. Accessed Feb 28 2021.

<https://ir.bookingholdings.com/index.php/static-files/1bef31b8-a49d-4aed-9a20-0b02e5254007> (p. 82)

³⁷ Sorrells, Mitra. "Booking Holdings Sees Revenue Drop 55% in 2020." *PhocusWire*, PhocusWire, 25 Feb. 2021, www.phocuswire.com/booking-holdings-focuses-on-payment-platform-connected-trip-and-us-growth-as-q4-revenue-bookings-down-60-percent#:~:text=Gross%20travel%20bookings%20for%20the,decrease%20from%20the%20prior%20year.

Holdings still had negative operating income (loss) in 2020. The reduction of their workforce by 25% at Booking.com was finalized by end of the year 2020³⁸. The cut of personnel expenses further diminished the operating expenses; however, as the workers that were cut consisted mainly of non-essential customer service workers and online operators, the decrease of expenses was not as significant³⁹. Additionally, the adjusted EBITDA of Booking Holdings decreased by 85% in 2020 in comparison to 2019⁴⁰. The impairment of goodwill is important to consider as the company had to reevaluate the goodwill for OpenTable and KAYAK. The value of the brands is less than expected in terms of brand reputation and other factors. Despite the turbulent changes that occurred during 2020 due to the pandemic, the company has forecasted annual earnings growth of 38.5% in the range of the following three years⁴¹. Booking Holdings is also strongly overvalued as the price per share in Q1 of 2021 is reaching heights unseen during the pre-Covid-19 era, despite the slower than expected return of global travel demands.

13.2 Operating Ratios

| Operating Ratios | 2020 | 2019 | 2018 |
|------------------------------|--------------|--------------|--------------|
| Total assets turnover | 0.31 | 0.70 | 0.64 |
| Cash Conversion Cycle | 28.41 | 40.70 | 38.27 |

Figure 14. This table shows the total assets turnover and cash conversion cycle of Booking Holdings. **Made by author.**

Booking Holdings is mainly operating on-line, as a third-party provider. Therefore, they do not carry an inventory, and inventory turnover and the payable turnover cannot be determined. The lack of inventory is significantly reducing the operating risk, and decreases the costs associated with inventory management and logistics. The cash conversion cycle and the average receivable collection period are the same, due to the lack of inventory of Booking Holdings. The cash conversion cycle was slightly higher in 2019; however, in 2020 the average receivable collection period, 28 days, was very good, as most invoices are expected to be paid within a month of issuing. The assets turnover ratio for 2020 is significantly decreased due to the deterioration in revenue in 2020. The company is in the lower range of the industry averages

³⁸ Carville, Olivia. *Bloomberg.com*, Bloomberg, 4 Aug. 2020, www.bloomberg.com/news/articles/2020-08-04/booking-to-cut-thousands-of-workers-after-covid-19-travel-hit.

³⁹ Ibid.

⁴⁰ Sorrells, Mitra. "Booking Holdings Focuses on Payment Platform, Connected Trip and Us Growth as Q4 Revenue, Bookings Down 60 Percent." *Phocuswire*, 25 Feb. 2021, www.phocuswire.com/booking-holdings-focuses-on-payment-platform-connected-trip-and-us-growth-as-q4-revenue-bookings-down-60-percent#:~:text=Gross%20travel%20bookings%20for%20the,decrease%20from%20the%20prior%20year.

⁴¹ Wall St, Simply. "Booking Holdings (NasdaqGS:BKNG) - Share Price, News & Analysis." *Simply Wall St*, 18 Mar. 2021, simplywall.st/stocks/us/retail/nasdaq-bkng/booking-holdings#future.

for the services sector⁴². Furthermore, Booking Holdings has the majority of the assets in cash and cash equivalents (current) followed by long-term investments, goodwill, and intangible assets. Short-term investments for the company have been significantly decreasing over the years, as Booking Holdings is actively repurchasing their own common stock. The company has been liquidating assets to execute the repurchasing, causing cash and cash equivalents to increase, while short-term investment has decreased.

13.3 Liquidity Ratios

| Liquidity Ratios | 2020 | 2019 | 2018 |
|-------------------------|-------------|-------------|-------------|
| Current ratio | 3.56 | 1.83 | 2.36 |
| Quick ratio | 3.38 | 1.68 | 2.20 |
| Cash ratio | 3.23 | 1.36 | 1.77 |

Figure 15. This table shows current ratio, quick ratio, and cash ratio of Booking Holdings. **Made by author.**

The current ratio for Booking Holdings over the past three years indicates that the company has good ability to pay short-term obligations, despite the complications associated with Covid-19. Their cash and cash equivalents are providing substantial amount of liquid assets to cover its short-term liabilities. Therefore, the quick ratio and the cash ratios are indicating a strong short-term financial position. The liquidity ratios deteriorated from 2018 to 2019, however they increased again in 2020. Furthermore, all the liquidity ratios for Booking Holdings are above the travel and leisure sector averages, which is indicating a strong financial standing⁴³.

13.4 Long-term and Solvency Ratios

| Long-term and Solvency Ratios | 2020 | 2019 | 2018 |
|--------------------------------------|-------------|-------------|-------------|
| Debt/equity | 3.47 | 2.61 | 1.58 |
| Debt/assets | 0.77 | 0.72 | 0.61 |
| Interest coverage | 2.59 | 23.40 | 18.97 |
| Financial leverage | 4.47 | 3.61 | 2.58 |

Figure 16. This table shows the debt-to-equity ratio, debt-to-assets ratio, interest coverage and financial leverage of Booking Holdings. **Made by author.**

⁴² “Booking Holdings Inc Asset Turnover Ratio (BKNG), From Forth Quarter 2020 to Forth Quarter 2019 Current and Historic Results, Rankings and More - CSIMarket.” CSI Market, 2021, csimarket.com/stocks/singleEfficiencyat.php?code=BKNG.

⁴³ Dybek, Martin. “Booking Holdings Inc. (NASDAQ:BKNG): Analysis of Liquidity Ratios.” *Stock Analysis on Net*, Stock Analysis on Net, 25 Feb. 2021, www.stock-analysis-on.net/NASDAQ/Company/Booking-Holdings-Inc/Ratios/Liquidity.

The debt-to-equity ratio of Booking Holdings is indicating that the company is taking on more risk over the years. Some of the company's rapid expansions and acquisitions may be financed with debt. The shareholders equity was decreased from 2017 to the end of 2020 by 57%, which is portraying the effects of repurchasing common stock. The decrease of equity and increase in debt results in the increase of the debt-to-equity ratio. The company's relatively high debt-to-assets ratio demonstrates that there is a stronger financial risk for the company and higher risk to default. The interest coverage of Booking Holdings is important to consider because it significantly dropped in 2020. This may indicate that the company does not have a strong ability to pay its outstanding debt, such as loan payments. Furthermore, the interest coverage is also portraying that Booking Holdings will have to significantly slow down its growth and the rate of acquisitions. The financial leverage has increased steadily from 2018 to 2020, indicating that the fluctuation in EBIT affects the earnings per share more significantly. This is an important ratio to consider, as Booking Holdings has been experiencing increased fluctuation in their EBIT during 2020.

13.5 Profitability Ratios Comparison to Expedia

| Profitability Ratios of Booking Holdings | 2020 | 2019 | 2018 |
|---|--------------|---------------|---------------|
| Operating profit margin | -9.28% | 35.48% | 36.77% |
| Net profit margin | 0.87% | 32.29% | 27.52% |
| Return on assets | 0.27% | 22.73% | 17.62% |
| Return on equity | 1.21% | 82% | 45.51% |

Figure 17. This table shows the operating profit margin, net profit margin, return on assets and return on equity of Booking Holdings. **Made by author.**

| Profitability Ratios of Expedia | 2020 | 2019 | 2018 |
|--|-------------|-------------|-------------|
| Return on assets | -14.37% | 2.67% | 2.25% |
| Return on equity | -89.45% | 10.33% | 6.70% |

Figure 18. This table shows the return on assets and return on equity of Expedia Inc. **Made by author.** Source: 10-K Form of Expedia for 2020, published in February 2021⁴⁴.

The gross profit margin for Booking Holdings cannot be determined as the company only has fixed costs, without variable costs. The cost structure of the company does not provide an analyzable gross profit margin, which is not unusual for a web-based business. On the other hand, the operating profit margin was negative in 2020, because the operating expenses were higher than the profits from the bookings and reservations processed on the ecosystem of

⁴⁴ Expedia Group, Inc. Form 10-k 2020, 2021. Web. Feb 12, 2021. Accessed Feb 28 2021. <https://d18rn0p25nwr6d.cloudfront.net/CIK-0001324424/36b7ba0a-d956-4897-ab8b-2b94e4591feb.pdf>

platforms of Booking Holdings. In the years of 2019 and 2018 the operating profit was substantial; however, the Covid-19 pandemic has had an extensive impact on the online travel industry. The net profit margin has also significantly dropped to 0.87% in 2020 from 32.29% in 2019. This change was also caused due to the pandemic of Covid-19 and travel bans issued globally among many countries. The ROA and ROE were significantly high in 2019 and 2018 for the company. Booking Holdings is performing significantly better than Expedia, one of the company’s major competitors. While Expedia has both ROA and ROE in negative percentages, Booking Holdings has managed to stay above 0 despite the financial losses incurred by Covid-19. Apart from 2020, Booking Holdings ROA and ROE were exceptional and highly above its competitors. However, it should also be noted that Booking Holdings is generating a significant amount of their returns from debt to boost ROE without fully reflecting the risk of this type of financing⁴⁵.

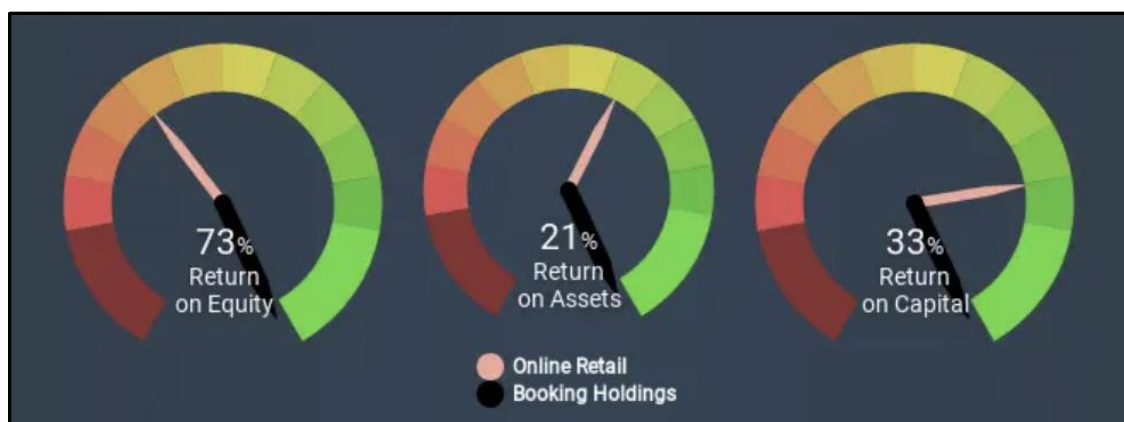


Figure 19. This graph shows the return of equity, return on assets, and return on capital of Booking Holdings against the online retail industry average. **Source: Simply Wall Street Pty.**⁴⁶

13.6 Market Based Measures

| Market Based Measures | 2020 | 2019 | 2018 |
|------------------------------|-------------|-------------|-------------|
| Price/book | 18.74 | 14.34 | 8.95 |
| Price/earnings | 1,557.53 | 18.24 | 20.66 |

Figure 20. This table shows the price-to-book ratio, price-to-earnings ratio of Booking Holdings. **Made by author.**

⁴⁵ Wall St, Simply. “Can Booking Holdings Inc.’s (NASDAQ:BKNG) ROE Continue To Surpass The Industry Average?” *Simply Wall St News*, 11 Jan. 2020, simplywall.st/stocks/us/retail/nasdaq-bkng/booking-holdings/news/can-booking-holdings-inc-s-nasdaqbkng-roe-continue-to-surpass-the-industry-average-2.

⁴⁶ Wall St, Simply. “Can Booking Holdings Inc.’s (NASDAQ:BKNG) ROE Continue To Surpass The Industry Average?” *Simply Wall St News*, 11 Jan. 2020, simplywall.st/stocks/us/retail/nasdaq-bkng/booking-holdings/news/can-booking-holdings-inc-s-nasdaqbkng-roe-continue-to-surpass-the-industry-average-2.

The price-to-book ratio of Booking Holdings shows that the company is overvalued as the industry average of the US Online Retail industry is 4.9⁴⁷. The PE ratio of Booking Holdings is poor in comparison to the US Online Retail industry average of 30.4⁴⁸. Due to the low earning of Booking Holdings in 2020, the PE ratio for that year does not give adequate information. Booking Holdings' biggest competitor, Expedia, had a negative PE ratio during the first quarter of 2021. It should be noted that the negative price-to-earnings ratio of Expedia is caused by their negative earnings per share for 2020⁴⁹. The significant increase of both price-to-book and price-to-earnings ratio occurred during Covid-19 pandemic. This valuation that is significantly outside of the historical norms of the company and surpasses the pre-Covid-19 valuation may be caused by factors such as low earnings per share in 2020, their valuation premium due to Booking Holdings production of higher free cash flow in comparison to its competitors, and higher discount rates⁵⁰. However, it should also be noted that the irrational behavior of the stock market can also be contributed to the low interest rates of treasury bonds, which incentivizes the shift to investing financial resources into purchase of Index funds, thus rapidly increasing the price per share of the company. The collapse of the extreme growth of price per share on the stock market may be expected when the interest rate for treasury bonds increases again. Booking Holdings does not payout any dividends to the shareholders, therefore dividend yield cannot be calculated.

⁴⁷ Simply Wall St. "Expedia Group (NasdaqGS:EXPE) - Share Price, News & Analysis." *Simply Wall St*, 19 Mar. 2021, [simplywall.st/stocks/us/retail/nasdaq-expe/expedia-group#valuation](https://www.simplywall.st/stocks/us/retail/nasdaq-expe/expedia-group#valuation).

⁴⁸ Ibid.

⁴⁹ Expedia Group, Inc. Form 10-k 2020, 2021. Web. Feb 12, 2021. Accessed Feb 28 2021.

<https://d18rn0p25nwr6d.cloudfront.net/CIK-0001324424/36b7ba0a-d956-4897-ab8b-2b94e4591feb.pdf>

⁵⁰ Arnold, Josh. "Booking Holdings Is Perilously Overpriced (NASDAQ:BKNG)." *SeekingAlpha*, 20 Dec. 2020, seekingalpha.com/article/4395488-booking-holdings-is-perilously-overpriced.

13.7 Stock Performance Analysis



Figure 21. This graph represents the stock performance of Booking Holdings between 2016 to 2021. It can be observed from this graph that there is a sharp fall at the beginning of 2020 that can be caused by the pandemic of Covid-19. The lowest value of shares was recorded at \$1,177.43 per share on March 2020. The value of the shares has since recovered and reached new heights that surpassed the pre-Covid valuation. **Source: Bloomberg.com**⁵¹

Booking Holdings share prices are not very stable, and their one-year return exceeds the US retail market by 14%⁵². From becoming an IPO in 1997 the company experienced a fall in the price per share, which remained steady and flat from 2001 to the end of 2008. Since 2009 the stock price of Booking Holdings increased from \$73.65 to over \$2,200 in 2021. Their stock price per share is also considerably higher in comparison to competitors, which can be observed in the figure below. The significantly higher price per stock can be attributed to factors such as stronger brand recognition and rapid growth through frequent acquisitions, which provides Booking Holdings with a leading position in their industry⁵³. Furthermore, Booking Holdings only has 40,961,796 outstanding shares in comparison to Expedia’s 143,864,551 outstanding shares, which is also significantly impacting the high price per share of Booking Holdings^{54,55}.

⁵¹ Bloomberg. “Bloomberg.” *BKNG:USNASDAQ GS Booking Holdings Inc*, 18 Mar. 2021, www.bloomberg.com/quote/BKNG:US.

⁵² Wall St, Simply. “Booking Holdings (NasdaqGS:BKNG) - Share Price, News & Analysis.” *Simply Wall St*, 18 Mar. 2021, simplywall.st/stocks/us/retail/nasdaq-bkng/booking-holdings#share-price-and-news.

⁵³ Team, Trefis. “Here’s Why We Believe Booking Holdings Is Worth \$2,064 Per Share.” *Forbes*, Forbes Magazine, 29 Aug. 2018, www.forbes.com/sites/greatspeculations/2018/08/29/heres-why-we-believe-booking-holdings-is-worth-2064-per-share/?sh=1b01d3e12819.

⁵⁴ Booking Holdings. Form 10-k 2020, 2021. Web. Feb 24, 2021. Accessed Feb 28 2021. <https://ir.bookingholdings.com/index.php/static-files/1bef31b8-a49d-4aed-9a20-0b02e5254007> (p. 1)

⁵⁵ Expedia Group, Inc. Form 10-k 2020, 2021. Web. Feb 12, 2021. Accessed Feb 28 2021. <https://d18rn0p25nwr6d.cloudfront.net/CIK-0001324424/36b7ba0a-d956-4897-ab8b-2b94e4591feb.pdf> (p.1)

| <u>Stock prices per share</u> | <u>December 31, 2020</u> |
|-------------------------------|--------------------------|
| Booking Holdings | \$2,227.27 |
| Expedia | \$132.40 |
| Airbnb | \$146.80 |
| TripAdvisor | \$28.78 |
| Trip.com | \$33.73 |

Figure 22. This table shows the stock price of Expedia, Airbnb, TripAdvisor and Trip.com at the end of 2020 in Comparison to Booking Holdings. **Made by author.**

Booking Holdings has been performing significantly better on the stock market in comparison to its closest competitor Expedia Group Inc. Booking Holdings stock price percent change increased by 786.1%, while Expedia’s growth increased merely by 299% based on data from November 2019⁵⁶. These results are indicating that Booking Holdings had a strong financial growth and was able to outperform competition through durable competitive advantage and strong financial performance. Booking Holdings has also delivered superior earnings-per-share growth and was using its significant stream of free cash flow to buy back stock during 2019, that is worth \$8.7 billion of its own stock⁵⁷. The reduction of the share count is directly increasing the earnings-per-share growth of Booking Holdings and allows the company to strongly outperform its competitors.

⁵⁶ Sanchez CFA, Luis Sanchez. “Why Booking Holdings Is a Better Investment Than Expedia.” *The Motley Fool*, The Motley Fool, 19 Dec. 2019, www.fool.com/investing/2019/12/19/booking-holdings-better-investment-than-expedia.aspx#:~:text=The%20key%20difference%20between%20Booking,Holdings%20primarily%20operates%20in%20Europe.&text=Websites%20like%20Expedia.com%20can,price%20of%20a%20hotel%20accommodation.

⁵⁷ Sanchez, Luis. “Why Booking Holdings Is a Better Investment Than Expedia.” *Nasdaq*, 19 Dec. 2019, www.nasdaq.com/articles/why-booking-holdings-is-a-better-investment-than-expedia-2019-12-19.

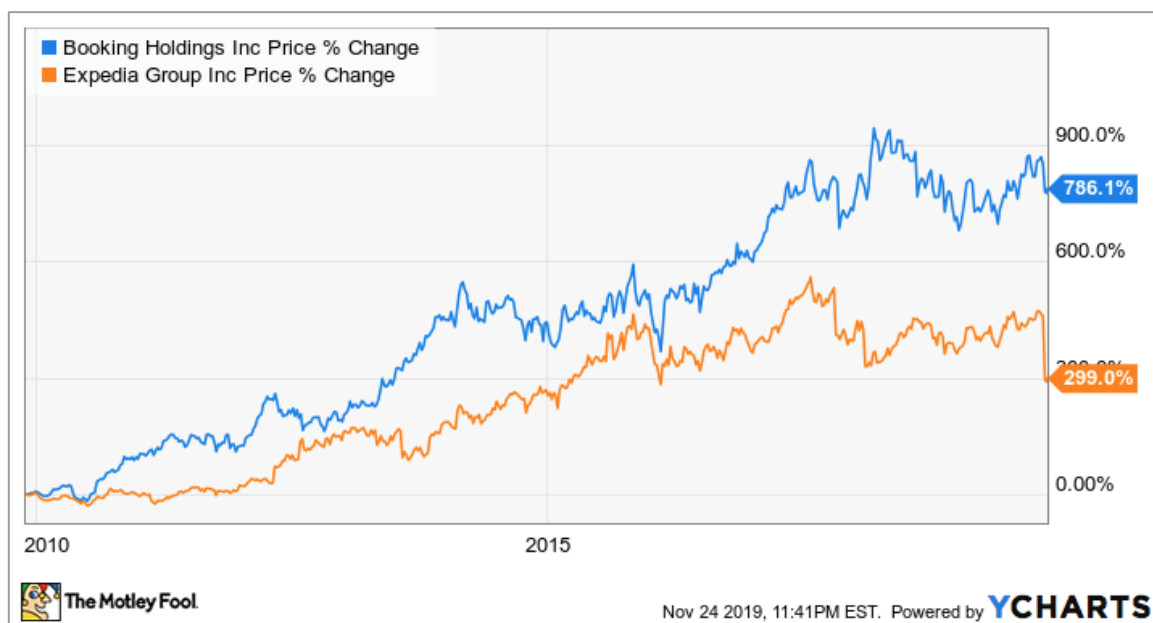


Figure 23. This table shows the stock price % change of Booking Holdings and its closest competitor Expedia from 2010 to 2019. **Source: The Motley Fool.**⁵⁸

14. Conclusion

Despite the current and uncertain financial standing of Booking Holdings, their price per stock is above pre-Covid-19 era, indicating that there is a strong believe in the company’s comeback in the near future (dating to end of March). As the company has forecasted annual earnings growth of 38.5% in the range of the following three years, the value of their issued stocks is strongly increasing despite slow vaccination rates that are preventing travel to return to rates before Covid-19⁵⁹. Furthermore, Booking Holdings indicated a strong financial growth leading up to 2019, which would have continued to 2020, however due to the pandemic the online travel agent industry was affected heavily. The company does not pay out dividends and has no inventory. The ROA and ROE of Booking Holdings is strongly above the industry average; however, it should be noted that Booking Holdings has been using their debt to artificially boost their returns on assets and equity⁶⁰. The use of debt to finance their acquisitions and other financial operations is imposing a high-risk factor for Booking Holdings in the long-term. If the interest coverage drops, the company may not be able to continue with

⁵⁸ Cfa, Luis Sanchez. “Why Booking Holdings Is a Better Investment Than Expedia.” *The Motley Fool*, 19 Dec. 2019, www.fool.com/investing/2019/12/19/booking-holdings-better-investment-than-expedia.aspx#:~:text=The%20key%20difference%20between%20Booking,Holdings%20primarily%20operates%20in%20Europe.&text=Websites%20like%20Expedia.com%20can,price%20of%20a%20hotel%20accommodation.

⁵⁹ Wall St, Simply. “Booking Holdings (NasdaqGS:BKNG) - Share Price, News & Analysis.” *Simply Wall St*, 18 Mar. 2021, <https://simplywall.st/stocks/us/retail/nasdaq-bkng/booking-holdings#future>

⁶⁰ Wall St, Simply. “Can Booking Holdings Inc.'s (NASDAQ:BKNG) ROE Continue To Surpass The Industry Average?” *Simply Wall St News*, 11 Jan. 2020, simplywall.st/stocks/us/retail/nasdaq-bkng/booking-holdings/news/can-booking-holdings-inc-s-nasdaqbkng-roe-continue-to-surpass-the-industry-average-2.

their brand acquisition strategy and finance operations for their *Connected Trip* strategy, which could impose a significant disadvantage and loss of market share to the emerging of new competition, such as Google Travel.

15. External Analysis

15.1 Industry Overview

The SIC code listed for Booking Holdings is 4724, which is the code for online travel agency; however, Booking Holdings is also operating in the online retail, ecommerce, and transportation services. Booking Holdings has also been expanding to the sector of brick-and-mortar hospitality, more specifically KAYAK has opened its first hotel in Miami Beach⁶¹. The hotel also serves as a design lab, where Booking Holdings will be able to test their accommodation technology and expand their *Connected Trip* experience⁶². The industry of online travel agents was valued at close-to \$744.7 billion in 2019 and declined by 20% in 2020 due to Covid-19⁶³. Despite the decline of value of the industry in 2020, the expected increase from 2021 to 2023 is projected to grow at a CAGR of 14.8% and reach \$902.2 billion⁶⁴.

The factors that impacted the valuation of the industry leading up to 2019 and the positive forecasts from 2021 and onwards, include “strong economic growth in emerging markets, rapid population growth, demographic shift, improved earning capacity, acceptance of solo travel and technological advances”⁶⁵. The factors limiting faster growth of value for the industry include shortage of skilled workforce, governmental regulations, geopolitical tensions, as well as high taxes on air travel and the pandemic of Covid-19⁶⁶. The industry is also heavily affected by the emerging trends of booking through smartphones and tablets. While the desktop

⁶¹ Talty, Alexandra. “Kayak Launches First-Ever Hotel, CEO Says More To Come.” *Forbes*, Forbes Magazine, 9 Mar. 2021, www.forbes.com/sites/alexandratalty/2021/03/09/kayak-launches-first-ever-hotel-ceo-says-more-to-come/?sh=28153a5f4f88.

⁶² Ibid.

⁶³ Markets, Research and. “Global \$595.8 Billion Online Travel Agent Market Analysis, Opportunities and Strategies 2015-2019 & 2020-2030.” *GlobeNewswire News Room*, “GlobeNewswire”, 18 Nov. 2020, [www.globenewswire.com/news-release/2020/11/18/2128883/0/en/Global-595-8-Billion-Online-Travel-Agent-Market-Analysis-Opportunities-and-Strategies-2015-2019-2020-2030.html#:~:text=The%20global%20online%20travel%20agent,\)%20of%207.9%25%20since%202015.&text=The%20mar ket%20is%20expected%20to,reach%20%24902.2%20billion%20in%202023](http://www.globenewswire.com/news-release/2020/11/18/2128883/0/en/Global-595-8-Billion-Online-Travel-Agent-Market-Analysis-Opportunities-and-Strategies-2015-2019-2020-2030.html#:~:text=The%20global%20online%20travel%20agent,)%20of%207.9%25%20since%202015.&text=The%20mar ket%20is%20expected%20to,reach%20%24902.2%20billion%20in%202023).

⁶⁴ Markets, Research and. “Global \$595.8 Billion Online Travel Agent Market Analysis, Opportunities and Strategies 2015-2019 & 2020-2030.” *GlobeNewswire News Room*, “GlobeNewswire”, 18 Nov. 2020, [www.globenewswire.com/news-release/2020/11/18/2128883/0/en/Global-595-8-Billion-Online-Travel-Agent-Market-Analysis-Opportunities-and-Strategies-2015-2019-2020-2030.html#:~:text=The%20global%20online%20travel%20agent,\)%20of%207.9](http://www.globenewswire.com/news-release/2020/11/18/2128883/0/en/Global-595-8-Billion-Online-Travel-Agent-Market-Analysis-Opportunities-and-Strategies-2015-2019-2020-2030.html#:~:text=The%20global%20online%20travel%20agent,)%20of%207.9)

⁶⁵ Ibid.

⁶⁶ Markets, Research and. “Global \$595.8 Billion Online Travel Agent Market Analysis, Opportunities and Strategies 2015-2019 & 2020-2030.” *GlobeNewswire News Room*, “GlobeNewswire”, 18 Nov. 2020, [www.globenewswire.com/news-release/2020/11/18/2128883/0/en/Global-595-8-Billion-Online-Travel-Agent-Market-Analysis-Opportunities-and-Strategies-2015-2019-2020-2030.html#:~:text=The%20global%20online%20travel%20agent,\)%20of%207.9%25%20since%202015.&text=The%20mar ket%20is%20expected%20to,reach%20%24902.2%20billion%20in%202023](http://www.globenewswire.com/news-release/2020/11/18/2128883/0/en/Global-595-8-Billion-Online-Travel-Agent-Market-Analysis-Opportunities-and-Strategies-2015-2019-2020-2030.html#:~:text=The%20global%20online%20travel%20agent,)%20of%207.9%25%20since%202015.&text=The%20mar ket%20is%20expected%20to,reach%20%24902.2%20billion%20in%202023).

platform is still accounting for 85.2% of the segment, the mobile and tablet segment is expected to grow rapidly at CAGR of 11.3% in 2020 and onwards⁶⁷.

15.2 Corporate Travel Market

The corporate travel market is accounting for a significant portion of business transactions made through the ecosystem of the brands owned by Booking Holdings. The spending in the industry of corporate travel is accounting for 21.4% of the global travel and hospitality sector⁶⁸. The majority of the spending is concentrated in the United States, and China, where the presence of Booking Holdings is weak in comparison to the competitors⁶⁹. Corporate travel market has historically been volatile and slower at recovery after economic downturns; therefore, the slow recovery of this industry is expected to affect the overall recovery of the online travel industry significantly, in comparison to the faster recovery of leisure travel⁷⁰.

15.3 Leisure Travel Market

The leisure travel market was valued at \$1,006.5 billion in 2019 and is accounting for a significant portion of online bookings and reservations made in the online travel agent industry⁷¹. The leisure travel market is expected to reach \$1,737.3 billion by 2027, with a CAGR growth of 22.6% from 2021 to 2027⁷². The growth of this market can be attributed mainly to the shift towards experiences, such as travel, growth of low-cost airlines, technological advancements, and governmental initiatives⁷³. Porter's five forces are also heavily affecting this market, as suppliers and buyers have a significant force towards determining the profits generated by the third-party providers of booking and reservation services. Due to the pandemic, leisure travel has shifted from traveling to foreign countries to domestic traveling, therefore, many hotels that are focused primarily on leisure travel, rather

⁶⁷ Ibid.

⁶⁸ Curley, Andrew, et al. "For Corporate Travel, a Long Recovery Ahead." *McKinsey & Company*, 5 Nov. 2020, www.mckinsey.com/industries/travel-logistics-and-infrastructure/our-insights/for-corporate-travel-a-long-recovery-ahead#.

⁶⁹ Ibid.

⁷⁰ Curley, Andrew, et al. "For Corporate Travel, a Long Recovery Ahead." *McKinsey & Company*, 5 Nov. 2020, www.mckinsey.com/industries/travel-logistics-and-infrastructure/our-insights/for-corporate-travel-a-long-recovery-ahead#.

⁷¹ Markets, Research And. "Worldwide Leisure Travel Industry to 2027 - Unique Destinations Gaining High Traction Among Tourists." *GlobeNewswire News Room*, 20 Jan. 2021, www.globenewswire.com/news-release/2021/01/20/2161251/0/en/Worldwide-Leisure-Travel-Industry-to-2027-Unique-Destinations-Gaining-High-Traction-Among-Tourists.html.

⁷² Ibid.

⁷³ Markets, Research And. "Worldwide Leisure Travel Industry to 2027 - Unique Destinations Gaining High Traction Among Tourists." *GlobeNewswire News Room*, 20 Jan. 2021, www.globenewswire.com/news-release/2021/01/20/2161251/0/en/Worldwide-Leisure-Travel-Industry-to-2027-Unique-Destinations-Gaining-High-Traction-Among-Tourists.html.

than corporate travel, are experiencing a growth of demand from domestic travelers and can maintain steady rates without heavily discounting to attract new travelers⁷⁴.

15.4 Industry Trends

The online travel agent industry is experiencing a major shift from conventional accommodations such as hotels, to alternative accommodations, for example short term rentals and apartments offered by individuals when they are not occupying their property⁷⁵. This trend is strongly affecting Booking Holdings, as of the 2nd quarter of 2020 bookings for private accommodations climbed up to 40% of new bookings on Booking.com and 33% in the 3rd quarter⁷⁶. However, the company overall has no designated a specific platform/outlet for alternative accommodations. The second major trend is the growing usage of mobile phones and tablets for bookings and reservations, therefore, the industry is shifting their focus on developing better technologies for smartphone users to accommodate for their emerging needs⁷⁷. Other trends include the shift to the *Connected Trip* experience by the major players in the industry, accommodation of raised demands regarding hygiene and travel safety, and changes in customer preferences to travel domestically for vacations, instead of abroad.

15.5 Influences of Covid-19 on the Online Travel Agent Industry

Travel has been significantly affected by the pandemic due to severe governmental restrictions, travel bans, and slow rate of vaccination administered to the public. It is estimated that “the largest seven public online travel agencies will lose at least \$11.5 billion in revenue this year due to the virus”, however some predictions estimate this loss could reach up to \$20 billion in missed revenue⁷⁸. Customers are more hesitant to book accommodations and travel

⁷⁴ O’Neill, Sean. “Booking Holdings Says Leisure Hotels Are Able to Hold Rates Without Having to Offer Deep Discounts.” *Skift*, 7 Aug. 2020, skift.com/2020/08/06/booking-holdings-says-leisure-hotels-are-able-to-hold-rates-without-having-to-offer-deep-discounts.

⁷⁵ Ibid.

⁷⁶ Duff, Greg. “Online Travel Update: Kyte Is Featured in PhocusWire’s Hot Travel Startups for 2021; Booking Holdings Discusses Pressures Predicament of the Hotel Industry; Airbnb’s IPO Upholds Its Status as a Global Distribution Powerhouse.” JD Supra, Foster Garvey PC, 25 Nov. 2020, www.jdsupra.com/legalnews/online-travelupdate-kyte-is-featured-84777/

⁷⁷ Markets, Research and. “Global \$595.8 Billion Online Travel Agent Market Analysis, Opportunities and Strategies 2015-2019 & 2020-2030.” *GlobeNewswire News Room*, “GlobeNewswire”, 18 Nov. 2020, www.globenewswire.com/news-release/2020/11/18/2128883/0/en/Global-595-8-Billion-Online-Travel-Agent-Market-Analysis-Opportunities-and-Strategies-2015-2019-2020-2030.html#:~:text=The%20global%20online%20travel%20agent,)20of%207.9%25%20since%202015.&text=The%20market%20is%20expected%20to,reach%20%4902.2%20billion%20in%202023.

⁷⁸ Markets, Research and. “Global \$595.8 Billion Online Travel Agent Market Analysis, Opportunities and Strategies 2015-2019 & 2020-2030.” *GlobeNewswire News Room*, “GlobeNewswire”, 18 Nov. 2020, www.globenewswire.com/news-release/2020/11/18/2128883/0/en/Global-595-8-Billion-Online-Travel-Agent-Market-Analysis-Opportunities-and-Strategies-2015-2019-2020-2030.html#:~:text=The%20global%20online%20travel%20agent,)20of%207.9%25%20since%202015.&text=The%20market%20is%20expected%20to,reach%20%24902.2%20billion%20in%202023.

related services due to uncertainties of cancelled trips and hygienic concerns; therefore, it is of significant importance that the companies in the online travel agent industry will emphasize the accessibility, convenience, safety, and loyalty benefits for their customers in order to stay competitive and profitable⁷⁹.

16. Political, Economic, Technological and Legal Factors

16.1 Political Factors

Political factors have severely influenced the online travel agent industry in 2020 due to the governmental restrictions imposed in response to the Covid-19 pandemic. The political uncertainties to the pandemic reduced customer spending and the demand for travel. In addition, Booking Holdings has “experienced volatility in transaction growth rates, increased cancellation rates and weaker trends in accommodation average daily rates (“ADRs”) across many regions of the world, particularly in those countries that appear to be most affected by economic and political uncertainties”⁸⁰. Another political factor that has impacted the industry was Brexit, stemming from the exit of United Kingdom from the European Union. The transition of United Kingdom brought many additional expenses related to new regulatory costs and additional business licenses, however as the transition is taking place currently the full impact of this political factor is yet to be seen⁸¹.

16.2 Economic Factors

Booking Holdings, as well as its competitors, are heavily affected by the fluctuations of foreign currency exchange rates. Booking Holdings is based in the United States and reports its financial results in US dollars; however, majority of its brands are operating outside of the United States and earn their profits in local currencies such as Euros and British Pounds Sterling. Due to the volatility between the three currencies over the past years, the consumer behavior heavily differs based on their region⁸². Other economic factors affecting the industry include “slowing or negative economic growth, high or rising unemployment rates, inflation and weakening currencies, and concerns over government responses such as higher taxes or

⁷⁹ Brown, Robert. “Covid-19 and Its Impact on the Customer Journey for Otas.” *Phocuswire*, 18 Nov. 2020, www.phocuswire.com/covid-19-and-its-impact-on-the-customer-journey-for-otas.

⁸⁰ Booking Holdings. Form 10-k 2020, 2021. Web. Feb 24, 2021. Accessed Feb 28 2021. <https://ir.bookingholdings.com/index.php/static-files/1bef31b8-a49d-4aed-9a20-0b02e5254007> (p. 13)

⁸¹ Booking Holdings. Form 10-k 2020, 2021. Web. Feb 24, 2021. Accessed Feb 28 2021. <https://ir.bookingholdings.com/index.php/static-files/1bef31b8-a49d-4aed-9a20-0b02e5254007> (pp. 13-14)

⁸² Booking Holdings. Form 10-k 2020, 2021. Web. Feb 24, 2021. Accessed Feb 28 2021. <https://ir.bookingholdings.com/index.php/static-files/1bef31b8-a49d-4aed-9a20-0b02e5254007> (p. 35)

tariffs, increased interest rates and reduced government spending, [which] have impaired and could in the future impair consumer spending and adversely affect travel demand”⁸³.

16.3 Technological Factors

Online travel agents are operating in an industry that is based on technological advances enabling the ecosystem of platforms, software, and databases to work without issues 24/7. As technological advances determine the success of the implementation of the *Connected Trip* strategy, Booking Holdings has been heavily affected by the “utilization of emerging technologies such as artificial intelligence”⁸⁴. The rise of popularity of booking through smartphone and tablets has also significantly affected the innovation of Booking Holdings apps, to create a system of platforms “with an emphasis on scalability, performance, reliability, redundancy and security”⁸⁵. However, the current apps were not executed efficiently.

*16.4 Legal Factors*⁸⁶

Booking Holdings is facing the exposure to additional tax liabilities, as it operates globally in several countries, where tax policies are changing in 2021. The company has managed to reduce their consolidated income tax expense by \$79 million due the "Innovation Box Tax" benefit, that Booking.com was able sustain leading up to 2020⁸⁷. The company may not be able to sustain the "Innovation Box Tax" benefit in 2021 if Booking.com fails to apply for the R&D certificate in Netherlands proving that the company is focusing on innovation for the following six months. If Booking.com loses its tax benefits, Booking Holdings will face negative impact on their financial results in operations and cash flows. The tax rate that the company would have to pay would be Dutch statutory rate of 25%, furthermore, the "Innovation Box Tax" benefit itself increased from 7% to 9% in 2021⁸⁸.

⁸³ Booking Holdings. Form 10-k 2020, 2021. Web. Feb 24, 2021. Accessed Feb 28 2021.
<https://ir.bookingholdings.com/index.php/static-files/1bef31b8-a49d-4aed-9a20-0b02e5254007> (p. 13)

⁸⁴ Booking Holdings. Form 10-k 2020, 2021. Web. Feb 24, 2021. Accessed Feb 28 2021.
<https://ir.bookingholdings.com/index.php/static-files/1bef31b8-a49d-4aed-9a20-0b02e5254007> (p. 3)

⁸⁵ Ibid.

⁸⁶ Booking Holdings. Form 10-k 2020, 2021. Web. Feb 24, 2021. Accessed Feb 28 2021.
<https://ir.bookingholdings.com/index.php/static-files/1bef31b8-a49d-4aed-9a20-0b02e5254007> (p. 28)

⁸⁷ Booking Holdings. Form 10-k 2020, 2021. Web. Feb 24, 2021. Accessed Feb 28 2021.

<https://ir.bookingholdings.com/index.php/static-files/1bef31b8-a49d-4aed-9a20-0b02e5254007> (p. 28)

⁸⁸ Ibid.

17. Competitive Environment

17.1 Key Competitors

Booking Holdings is operating in a highly competitive environment, consisting of a small number of companies that have a large scale of operations and hold a significant market share. The companies operating in the same industry as Booking Holdings will be compared to the service variety generated by their ecosystems. The ecosystems of the competitors have similar traits; however, Booking Holdings remains to be the strongest player on the market. Despite the strong financial standing of Booking Holdings, the pandemic and the emerging of Google Travel in the industry may significantly affect the market share of the company. Therefore, this section will also be discussing new competitors that have not yet fully entered or developed in the industry but are imposing a threat to Booking Holdings in the near future. The competitors will be compared based on services they offer to book/reserve on their platforms including accommodations, ground transportation, flights, restaurants, activities and meta search. The key competitors consist of Expedia Group Inc, TripAdvisor, Inc; Airbnb, Trip.com Group Limited, Google, Amazon, and Facebook.

| | Accommodations | Ground Transportation | Flights | Restaurants | Activities | Meta Search |
|-------------------------|----------------|-----------------------|---------|-------------|------------|-------------|
| Booking Holdings | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Expedia | ✓ | ✓ | ✓ | | ✓ | ✓ |
| TripAdvisor | ✓ | | | | ✓ | ✓ |
| Airbnb | ✓ | | | | ✓ | |
| Trip.com | ✓ | ✓ | ✓ | | ✓ | ✓ |
| Google | | | | | | ✓ |
| Amazon | | | ✓ | | | ✓ |
| Facebook | ✓ | | | ✓ | | |

Figure 24. This table shows the number of services of Booking Holdings in comparison to the competition in the industry of online travel agents. The services compared are accommodations, ground transportation, flights, restaurants, activities and meta search engines. The companies listed include Expedia Group Inc, TripAdvisor, Inc, Airbnb, Trip.com Group Limited, Google, Amazon, and Facebook. **Made by author.**

17.1.1 Existing and Established Competition

17.1.1.1 Expedia Group Inc

Expedia is currently Booking Holdings' biggest competitor, because it offers the widest variety of services such as booking and reservations for accommodations, ground transport, flights, activities/experiences and meta search engines for price/value comparison. Expedia owns 13 brands that are generating profit for the company including Expedia, Hotels.com, Vrbo, Travelocity, Egencia, Hotwire, Orbitz, Ebookers, CheapTickets, CarRentals.com, Expedia Cruises, Wotif and Trivago. Although Trivago is generating a significant portion of the earnings for Expedia, their ecosystem is different from Booking Holdings, because it is not centered around one key brand, such as Booking.com for Booking Holdings, but it operates around multiple smaller or equally sized brands that have visually similar appearance⁸⁹. Another key difference between the companies is their geographical exposure; Expedia has a strong presence in United States, while Booking Holdings is focusing on the European market⁹⁰. The geographical exposure is providing Booking Holdings with a competitive advantage over Expedia, because the European hospitality and travel market provides a better environment to profit off higher commissions from smaller boutique hotels, rather than large hotel chains that have higher bargaining power over commissions that are in the market for United States⁹¹. Moreover, Expedia's financial performance has plummeted behind Booking Holdings. Booking Holdings has been able to consistently deliver greater revenue growth and greater earnings-per-share, which is putting Expedia in an unfavorable financial position⁹². Expedia's revenue for 2020 was \$5,199 million⁹³, in contrast to Booking Holdings revenue of \$6,796 million⁹⁴. Although both companies have been affected by the pandemic of Covid-19, Expedia has incurred heavier losses.

⁸⁹ Sanchez, Luis. "Why Booking Holdings Is a Better Investment Than Expedia." The Motley Fool, The Motley Fool, 19 Dec. 2019, www.fool.com/investing/2019/12/19/booking-holdings-better-investment-than-expedia.aspx.

⁹⁰ Ibid.

⁹¹ Sanchez, Luis. "Why Booking Holdings Is a Better Investment Than Expedia." The Motley Fool, The Motley Fool, 19 Dec. 2019, www.fool.com/investing/2019/12/19/booking-holdings-better-investment-than-expedia.aspx.

⁹² Ibid.

⁹³ Expedia Group, Inc. Form 10-k 2020, 2021. Web. Feb 12, 2021. Accessed Feb 28 2021. <https://d18rn0p25nwr6d.cloudfront.net/CIK-0001324424/36b7ba0a-d956-4897-ab8b-2b94e4591feb.pdf> (p. 30)

⁹⁴ Booking Holdings. Form 10-k 2020, 2021. Web. Feb 24, 2021. Accessed Feb 28 2021. <https://ir.bookingholdings.com/index.php/static-files/1bef31b8-a49d-4aed-9a20-0b02e5254007> (p. 82)

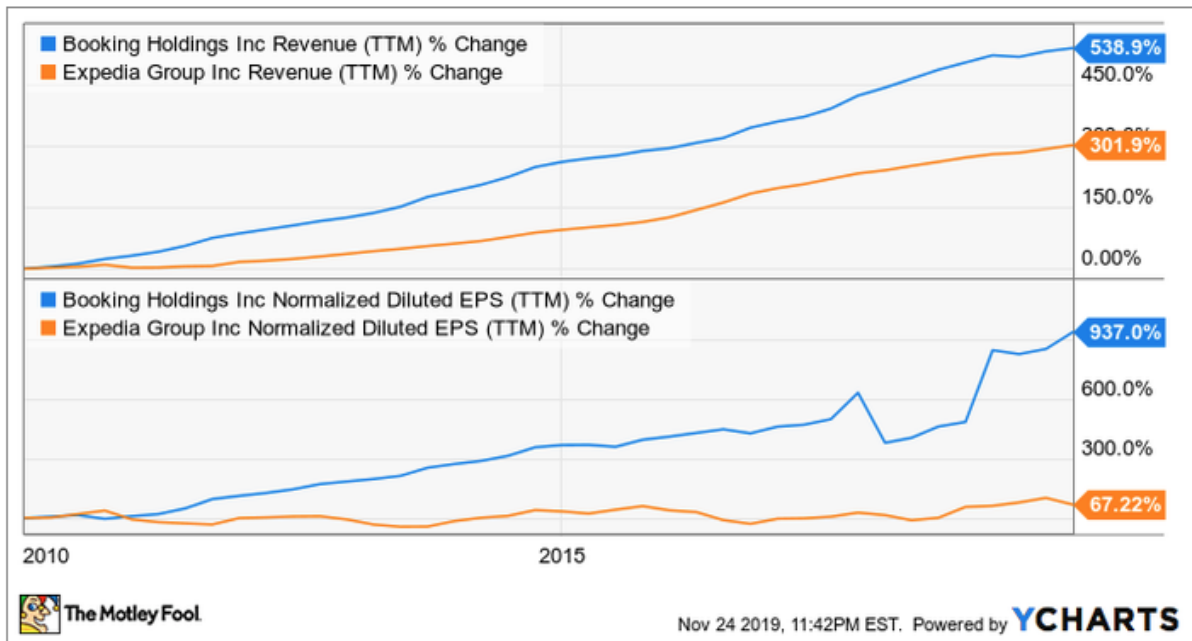


Figure 25. This table shows the revenue (TTM) % change of Booking Holdings and its closest competitor Expedia from 2010 to 2019. **Source: The Motley Fool**⁹⁵.

17.1.1.2 TripAdvisor, Inc

TripAdvisor is the second competitor for Booking Holdings; however, they are offering services that are mainly based on meta search engines for price comparisons and itinerary listings with links/referrals to booking platforms, such as Booking.com. TripAdvisor generates significant portion of their revenue through click-based advertising, which allows users to click on relevant booking links to the travel partners of TripAdvisor⁹⁶. TripAdvisor has also introduced direct booking of some types of accommodations on their websites, however, the portion of direct Bookings is small in relation to revenue generated through advertising and strategic partnerships with travel partners. TripAdvisor has been shifting to provide more experiences and dining services that the customers can access directly through the platforms under the company⁹⁷. TripAdvisor’s revenue for 2020 was \$604 million, which has decrease by 61% from the year of 2019 when their revenue reached \$1,560 million⁹⁸.

⁹⁵ Cfa, Luis Sanchez. “Why Booking Holdings Is a Better Investment Than Expedia.” *The Motley Fool*, 19 Dec. 2019, www.fool.com/investing/2019/12/19/booking-holdings-better-investment-than-expedia.aspx#:~:text=The%20key%20difference%20between%20Booking,Holdings%20primarily%20operates%20in%20Europe.&text=Websites%20like%20Expedia.com%20can,price%20of%20a%20hotel%20accommodation

⁹⁶ TripAdvisor, Inc. Form 10-k 2020, 2021. Web. Feb 19, 2021. Accessed Feb 28 2021. <https://ir.tripadvisor.com/static-files/c7f9a2d6-a737-4971-8d27-851a69c20d9b> (p. 3)

⁹⁷ Ibid.

⁹⁸ TripAdvisor, Inc. Form 10-k 2020, 2021. Web. Feb 19, 2021. Accessed Feb 28 2021. <https://ir.tripadvisor.com/static-files/c7f9a2d6-a737-4971-8d27-851a69c20d9b> (p. 57)

17.1.1.3 Airbnb

Airbnb is a strong competitor that had its IPO on December 9th, 2020. Airbnb is specializing in offering alternative accommodations through house renting, with operations in over 220 countries. They are also shifting their services to offer more activities and experiences to complement their listings. Airbnb's valuation climbed so high it was three times higher in comparison to the average valuations in the online travel agent industry⁹⁹. Currently, Airbnb's market cap is at \$123,51 billion, while the market cap for Booking Holdings is \$98,351 billion¹⁰⁰¹⁰¹. Airbnb is a strong competitor for Booking holdings, as the popularity of alternative accommodations grows, more customers are shifting away from traditional accommodations that are primary source of bookings for Booking Holdings. Airbnb also has a competitive advantage as it „is the disruptor, and the home-sharing model it created has been highly popular and difficult to copy [...] and [they have] more listings available on its platform than the top-five hotel operators combined”¹⁰².

17.1.1.4 Trip.com Group Limited

Trip.com Group is offering the same variety of services on their booking platforms like Expedia, however unlike Expedia they are not operating primarily in United States, but they are focused on operations on the Chinese market. Trip.com Group has headquarters in Shanghai and operates mainly through Ctrip and Qunar. These two online travel agent brands offer bookings and reservations of accommodations, ground transportation, flights, activities and meta search. In total, the company offers over 1.4 million hotel and hostel properties and 2.3 million vacation rental properties¹⁰³. Trip.com Group has also expanded to non-Chinese regions through operations of Trip.com and Skyscanner. Recently, Booking Holdings went in a partnership with the Duke of Sussex, Ctrip, Skyscanner and Visa to invest into new travel platform called Travalyst¹⁰⁴. Trip.com Group has been dominating the Chinese market, which is imposing strong competition for Booking Holdings, as they have been heavily investing in their expansion in the Asian-pacific market leading up to 2019, but robust governmental laws

⁹⁹ Ponciano, Jonathan. “Airbnb Stock Down 25% Since IPO, Three Billionaire Cofounders Lose \$5 Billion in 3 Trading Days.” *Forbes*, 15 Dec. 2020, www.forbes.com/sites/jonathanponciano/2020/12/15/airbnb-down-25-since-ipo-three-billionaire-cofounders-lose-5-billion-in-3-trading-days/?sh=3d27c9822065.

¹⁰⁰ Yahoo Finance. “Airbnb, Inc (ABNB).” *Yahoo Finance*, 2021, finance.yahoo.com/quote/ABNB?p=ABNB.

¹⁰¹ Yahoo Finance. “Booking Holdings Inc. (BKNG).” *Yahoo Finance*, 2021, <https://finance.yahoo.com/quote/BKNG?p=BKNG&.tsrc=fin-srch>

¹⁰² Bowman, Jeremy. “Why Airbnb Can Outrun Booking Holdings.” *The Motley Fool*, 23 Dec. 2020, www.fool.com/investing/2020/12/23/why-airbnb-can-outrun-booking-holdings.

¹⁰³ Trip.com Group Limited. “Corporate Profile.” *Trip.Com Group Limited*, 2021, investors.trip.com/homeprofile.

¹⁰⁴ “MarketLine Company Profile: Booking Holdings Inc.” Booking Holdings Inc MarketLine Company Profile, 25 June 2020, pp. 1–32. EBSCOhost

are complicating wider expansion for Booking Holdings and Trip.com Group remains strong in the Asian industry for online travel agents.

17.1.2 Emerging Competition

17.1.2.1 Google

Google is the ultimate meta search engine with the largest customer base in the industry. Google has entered the market of online travel agent in 2019 with the introduction of Google Travel. Google Travel includes Google Flights, Google Hotels, and set of high-tech tools designed to make planning and booking travel related services extremely fast and convenient. Their ecosystems of brands are enhanced by the interconnection of other Google products such as Google Search, Google Calendar, Google Maps and Gmail. Google has the ultimate competitive advantage of providing visibility for other companies in the industry, such as Booking Holdings. Google has the power to effectively place Google Travel before Booking Holdings when customers are planning their trips and use Google as a meta search engine¹⁰⁵. The recommenders of Google Travel are highly selective and personalized, which is providing the customers with a superior value and added conveniency, as price comparisons and suggested services related to travel are highly relevant to each customer¹⁰⁶. Google is imposing a large-scale threat to Booking Holdings due to the size of their existing platforms and their access to customer data, furthermore, “right now, Google is the main course of traffic for hotels, [...] there’s not another channel where they can cost effectively replace traffic”¹⁰⁷. As Google is a competitor, that cannot be eliminated, due to the dependence of traffic generated by Google for both service providers and Booking Holdings, the company is experiencing a strong decline of traffic that is generated by Google search, and is expecting the shift of their existing customer base to Google Travel¹⁰⁸.

17.1.2.2 Amazon

Amazon is another giant as a meta search engine in the online retail industry, however the company has been hesitant about entering the online travel agent industry with full force.

¹⁰⁵ Kelleher, Suzanne Rowan. “Google and Amazon’s Disruption of the Online Travel Industry Is Looking Inevitable.” *Forbes*, 16 Dec. 2020, www.forbes.com/sites/suzannerowankelleher/2019/06/30/google-and-amazons-disruption-of-the-online-travel-industry-is-looking-inevitable/?sh=1b1798008e0f.

¹⁰⁶ Ibid.

¹⁰⁷ Kelleher, Suzanne Rowan. “Google and Amazon’s Disruption of the Online Travel Industry Is Looking Inevitable.” *Forbes*, 16 Dec. 2020, www.forbes.com/sites/suzannerowankelleher/2019/06/30/google-and-amazons-disruption-of-the-online-travel-industry-is-looking-inevitable/?sh=1b1798008e0f.

¹⁰⁸ McBride, Stephen. “How Google Has Become the Biggest Travel Company.” *Forbes*, 6 Dec. 2019, www.forbes.com/sites/stephenmcbride1/2019/12/06/how-google-has-become-the-biggest-travel-company/?sh=4c97b7674e09.

Amazon first entered the online travel industry in 2015, when it added hotel listings in their Amazon Local platform, and later introduced a platform solely for hotel bookings called Destinations, however, Amazon has discontinued their services after few months despite their rapid expansion¹⁰⁹. In 2018 Amazon returned to the online travel industry with a new brand called Cleartrip that is targeting the Indian market for flights¹¹⁰. Amazon has been slowly expanding to the online travel industry since their launch of Cleartrip. Their plan is to differentiate their products based on their strong and loyal customer base that uses Amazon services on daily basis, which could potentially harm the customer base of Booking Holdings¹¹¹.

17.1.2.3 Facebook

Facebook is another emerging competitor, since they have introduced a new feature called marketplace on the Facebook apps and website. The marketplace is usually targeting exchanges among customers living in a similar geographical area; however, Facebook has also introduced features that allow customers to directly reserve and book restaurants and accommodations through their app. The added features are significant, because they add value to the users of Facebook and provide more convenience between connecting businesses and customers, due to the wide customer base using Facebook platforms. Booking Holdings has not been significantly affected by Facebook marketplace, however if they want to stay competitive, Booking Holdings must improve their apps and provide users with an app that provides the same level of convenience as Facebook does.

17.2 Competitive Analysis

To conclude, Booking Holdings is facing intense competition in the industry that has been strongly affected by the pandemic. The emerging competition, including Google and Amazon has not incurred comparable losses, as their primary business activities experienced the opposite effects of the pandemic. They can expand more rapidly in contrast to Booking Holdings, due to their strong financial standing during Covid-19 and their wide customer base. Booking Holdings was able to sustain its strong market position as the market leader before the

¹⁰⁹ “Google and Amazon’s Disruption of the Online Travel Industry Is Looking Inevitable.” *Forbes*, 16 Dec. 2020, www.forbes.com/sites/suzannerowankelleher/2019/06/30/google-and-amazons-disruption-of-the-online-travel-industry-is-looking-inevitable/?sh=1b1798008e0f.

¹¹⁰ *Ibid*.

¹¹¹ “Google and Amazon’s Disruption of the Online Travel Industry Is Looking Inevitable.” *Forbes*, 16 Dec. 2020, www.forbes.com/sites/suzannerowankelleher/2019/06/30/google-and-amazons-disruption-of-the-online-travel-industry-is-looking-inevitable/?sh=1b1798008e0f.

pandemic, however with the emerging of giant meta search engines, Booking Holdings might be in a significant disadvantage.

In comparison to the current and established market players, Booking Holdings can offer the widest spectrum of services for their customers, which is giving them a competitive advantage. Booking Holdings was also able to generate the highest amount of free cash flow that was fueling their acquisition rate, and their ability to buy back significant amount of their stocks to increase the earnings per stock in comparison to its competitors. Booking Holdings is dominating the online travel market in Europe, while Expedia is generating majority of their profits in the United States and Trip.com Group in China. The geographical segmentation worked favorably towards Booking Holdings, however with the emerging trend of alternative accommodations and vacation rentals, Airbnb has been able to significantly increase their listings and outnumber its competition globally. Booking Holdings has been increasing their listings of vacation rentals and alternative accommodations; however, they did not acquire or dedicate any platforms specifically for this sector, which might reduce their market share in the long run. TripAdvisor has been sustaining a strategic partnership with Booking Holdings; however, their recent shift to provide direct booking options for some of their listings may negatively impact the traffic that was generate from click-based advertising.

17.3 Strategic Group Map

The strategic group map is portraying the closest competitors for Booking Holdings. Majority of the competitors for Booking Holdings are operating through similar ecosystems of brands offering travel related services. Each of the companies is providing a different set of activities generated through their brand, therefore none of the competitor's provide the same value and user experience as Booking Holdings. Due to the diversity of services on the platforms for online travel agents, the comparison of competitors is difficult. The two interdependent factors selected for the purpose of comparison of the competitors are the variety of services provided to book directly on the y-axis, and the size of customer base on the x-axis.

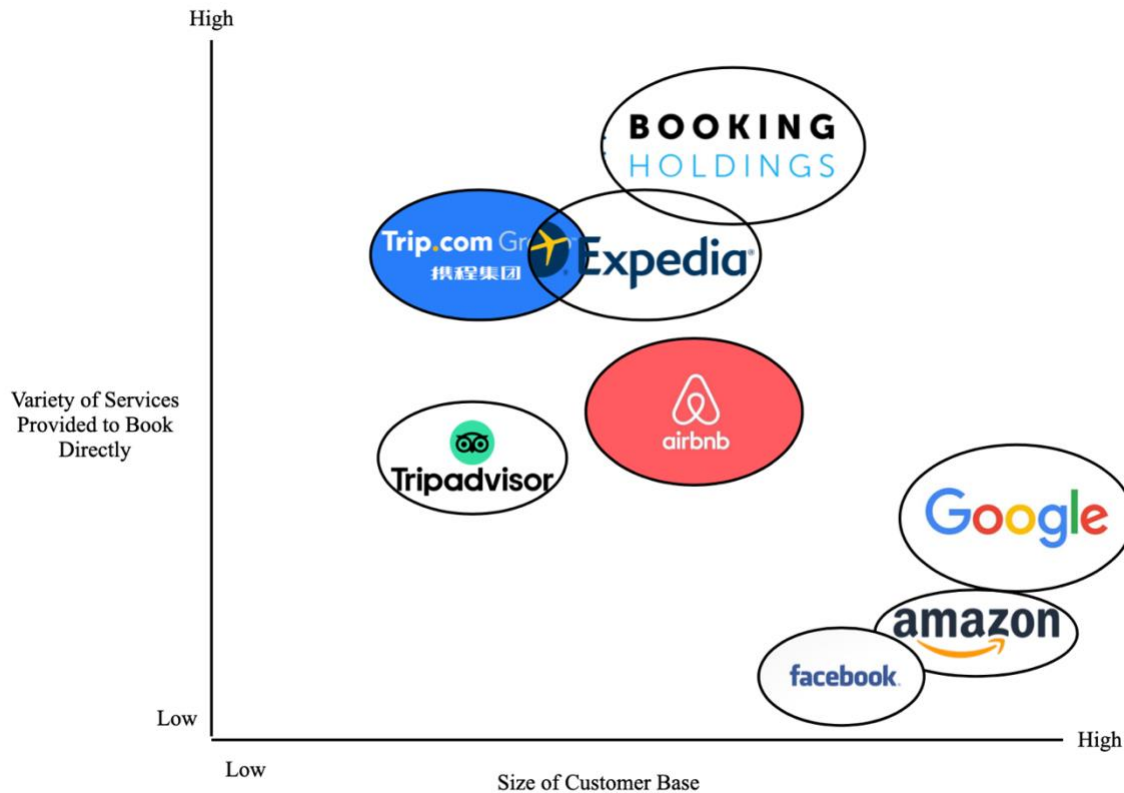


Figure 26. The graph shows the strategic group map, which is analyzing the closest competitors of Booking Holdings. The two interdependent variables are variety of services provided to book directly on the platforms and the size of customer base. Due to the complexity of the ecosystem’s compared these variables were selected to compare the competitors efficiently and effectively. **Made by the author.**

The industry is highly competitive due to rapid technological advances/changes, and rapid growth of demand for travel¹¹². As the competitors are increasing their offerings of services and number of listings, the differentiation among the competitors is challenging. The strategic group map is revealing two significant clusters of competitors that can be classified as companies driven by variety of services provided to book directly on platforms and companies focused on the size of customer base, that are not providing direct booking (meta search engines). Booking Holdings’ primary competitor is Expedia, because of the close resemblance of provided services and market share of 32% in comparison to Booking Holdings market share of 41%¹¹³. Airbnb’s IPO and their growth of the listings for alternative accommodations places them as a competitor for Booking Holdings; however, as it offers primarily alternative accommodations, and exclude hotels from their bookable services, it is

¹¹² Booking Holdings. Form 10-k 2020, 2021. Web. Feb 24, 2021. Accessed Feb 28 2021.

<https://ir.bookingholdings.com/index.php/static-files/1bef31b8-a49d-4aed-9a20-0b02e5254007> (p. 5)

¹¹³ Prieto, Mauricio. “The State of Online Travel Agencies- 2019.” Medium, Travel Tech Essentialist, 26 July 2020, medium.com/traveltechmedia/the-state-of-online-travel-agencies-2019-8b188e8661ac.

not as close of a competitor as Expedia. Trip.com is considered a strong competitor, especially in the Chinese market. Booking Holdings has recently started to expand to China, specifically in the field of partnerships with airlines and bookable flights through their platforms, nonetheless they are lacking when it comes to convenience of booking on their sites¹¹⁴. TripAdvisor provides a wide variety of services including extensive customer reviews, nonetheless, majority of their services are not available to book directly on their platforms, which significantly reduces their size of customer base for creating booking/reservations on their platforms. Overall, Booking Holdings is the strongest competitor as it offers the best value to the customers in terms of convenience and the variety of services they offer on the platforms.

The cluster of meta search engines with limited or no option to book directly on their platforms are an emerging threat, because they have a much larger customer base that can be utilized to create *Connected Trip* experience and personalized booking suggestions. Google Travel has the highest customer base of 267 million unique visitors just in the United States and a market share of 61.8% among the leading search engine providers in the United States¹¹⁵. Facebook is not a strong competitor as of 2021 for the online travel agent industry, however the potential shift towards third party providers of reservations for accommodations and dining services may impose a threat to Booking Holdings in the future. Amazon's large customer base and flight reservation services through meta search engines has been targeted primarily in the Indian market; however, their model can be easily scalable, and it can provide Amazon with a strong market base for online travel agent industry in terms of geographical expansion.

¹¹⁴Trip.com. "Trip.com Partners with Global Airlines to Maximize Customer Benefits and Propel Travel Recovery." GlobeNewswire News Room, "GlobeNewswire", 9 Nov. 2020, www.globenewswire.com/newsrelease/2020/11/09/2122440/0/en/Trip-com-partners-with-global-airlines-to-maximize-customer-benefits-andpropel-travel-recovery.html.

¹¹⁵ Johnson, Joseph. "Google - Statistics & Facts." *Statista*, 25 Feb. 2021, www.statista.com/topics/1001/google.

18. Porter's 5 Forces in the Online Travel Agent Industry

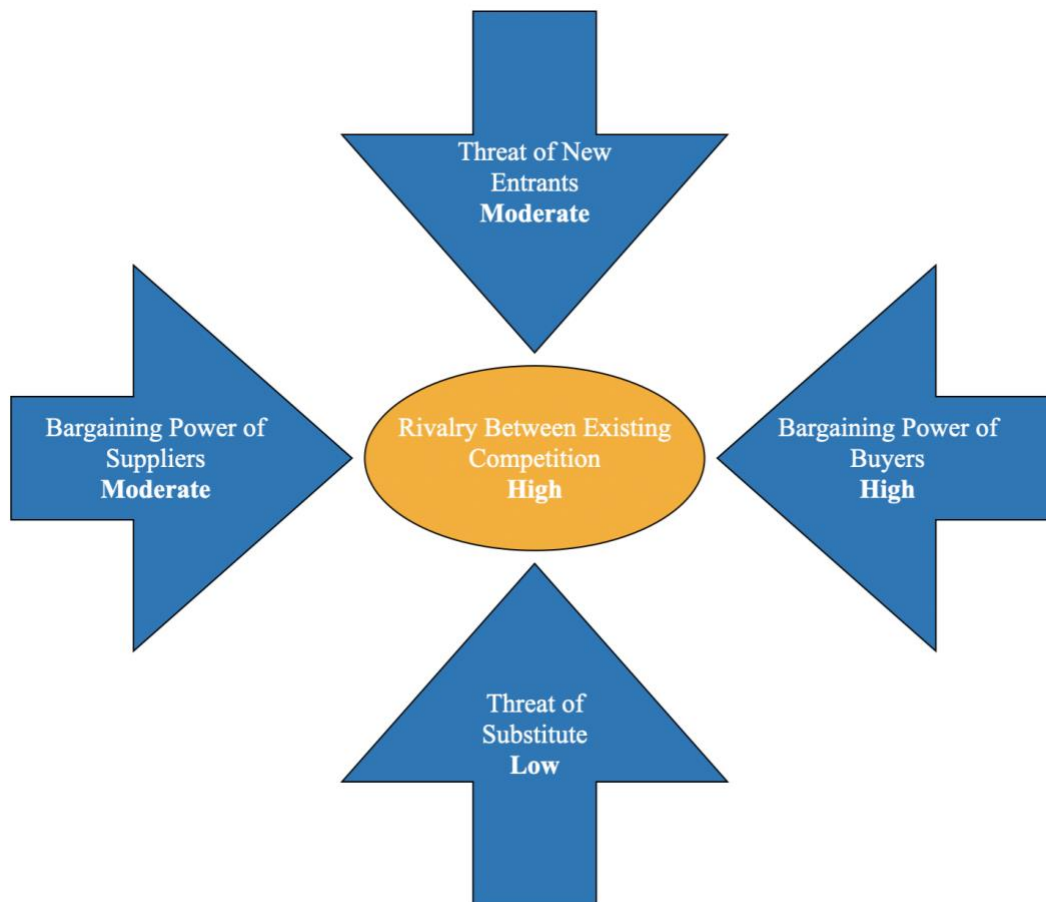


Figure 27. This graph shows the Porter's 5 Forces that are affecting the Online Travel Agent Industry. **Made by author.**

18.1 Threat of New Entrants

The threat of new entrants is moderate, as the barriers to entry into online travel agent industry are initially relatively low. However, due to the high costs of developing and sustaining a loyal customer base and IT infrastructure, it is challenging to capture a significant market share¹¹⁶. Furthermore, there is an intense competition in this industry among the industry giants, Booking Holdings and Expedia. They have a broad portfolio of online travel agent brands that are capturing significant portion of the market share, therefore, it is challenging for new competition with small capital to capture significant market share¹¹⁷. The network effect in the industry is further increasing the barrier to entry, because the scale of the network effect and the durability is hard to replicate over short period of time.

¹¹⁶ Johnson, Jeffrey. Columbia, 2019, pp. 1–10, "Booking Holdings Inc. (Nasdaq: BKNG)", <https://www8.gsb.columbia.edu/valueinvesting/sites/valueinvesting/files/pictures/BKNG.pdf>

¹¹⁷ Ly, Xingyang, et al. "Understanding the Emergence and Development of Online Travel Agencies: A Dynamic Evaluation and Simulation Approach." *Internet Research*, vol. 30, no. 6, Nov. 2020, pp. 1783–1810. EBSCOhost, doi:10.1108/INTR-11-2019-0464.

18.2 Bargaining Power of Suppliers

The bargaining power of suppliers is moderate, because there are many service providers advertising their services globally. Therefore, if the supplier decides to switch to a different platform, they can be easily replaced, unless the supplier owns a significant amount of hotel chains or other bundle of services. In addition, the service providers must maintain a high standard and they rely heavily on online travel agents to utilize their room capacity.

18.3 Bargaining Power of Buyers

The bargaining power of buyers is high, because the costs to switch and use different travel booking platforms is very low and easy to do. In addition, it is very challenging and costly to sustain brand loyalty among the customers due to a wide variety of online travel platforms and the spectrum of services they offer. The loyalty programs offered among the companies in the industry are competitive; however, the customers purchasing the services offered by online travel agents have no financial obligation to the brand after they completed their purchase.

18.4 Threat of Substitutes

The threat of substitution is low, because the demand for online travel is increasing and is becoming the primary way to book travel related services¹¹⁸. Furthermore, there is not a direct substitute for the travel industry. The biggest threat of substitution is eliminating third party online travel providers and booking through direct channels. With the strong market position of online travel booking platforms, switching to direct channels is not posing a strong threat to the industry.

18.5 Rivalry Among Existing Competitors

The rivalry between existing competitors is high, because of the size of players in the industry. The size of operations and the expansion of services provided results in a low product differentiation, and high spending on marketing activities to increase visibility of the

¹¹⁸ Markets, Research and. "Insights on the Worldwide Online Travel Agent Industry to 2030 - Benchmark Performance Against Key Competitors." GlobeNewswire News Room, "GlobeNewswire", 4 June 2020, www.globenewswire.com/news-release/2020/06/04/2043667/0/en/Insights-on-the-Worldwide-Online-Travel-AgentIndustry-to-2030-Benchmark-Performance-Against-Key-Competitors.html.

companies¹¹⁹. Furthermore, as the acquisition strategy is dominant among the large market players in the industry, outperforming competitors by offering a wider variety of services increases rivalry and high intensity competition. The low switching costs for the customers increases the rivalry among the industry, due to the high expenses of attracting and sustaining loyal customer base.

19. Conclusion

Booking Holdings is operating in a highly competitive industry. The Porter's five forces determine that the rivalry among the industry is strong, which can be observed through the strategic group map that shows the cluster of competitors offering variety of similar services for competitive prices to outperform other players and gain a higher market share. Despite Booking Holdings position as the world leader in online travel and related services, the emerging of meta search engine giant, Google, might strongly influence the position of Booking Holdings in the future. Currently, Booking Holdings is providing the strongest network of services through their ecosystem of brands, however Expedia and Trip.com Group are closing the gap by acquiring new brands in the United States and in Asia.

¹¹⁹ Gacinga, Joseph. "Fierce Rivalry in the Online Travel Industry Is Playing Into Google's Hands." The Motley Fool, The Motley Fool, 28 Mar. 2014, www.fool.com/investing/general/2014/03/27/fierce-rivalry-in-the-online-travelindustry-playi.aspx.

20. Critical Success Factors

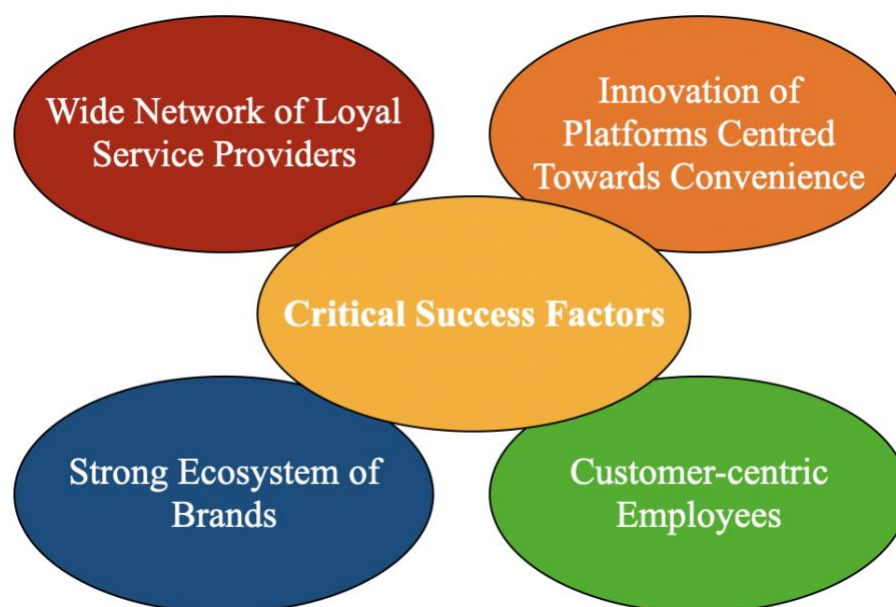


Figure 28. This graph shows the critical success factors of Booking Holdings, including wide network of loyal service providers, innovation of platforms centered towards convenience, strong ecosystem of brands and customer-centric employees. **Made by author.**

20.1 Wide Network of Loyal Service Providers

The first critical success factor of Booking Holdings, wide network of loyal service providers, is directly related to their customer segment. The company needs to maintain and develop their wide network of loyal service providers to deliver a superior value to travelers and customers using the platforms of Booking Holdings to book their travels. If Booking Holdings remains to be the market leader in the years to come, the company must ensure they will have a competitive number of listings and travel related services to accommodate majority of customer needs. With the growth of the market, the service providers have increased number of channels for advertising their services and utilized their bookings for rooms-per-night. Therefore, Booking Holdings must ensure that they will maintain their current partnerships, while developing new ones. However, the company might stretch their partnerships too far, and increase long-term risk. In addition, “the continued rise in the number of people travelling indicates we will reach 1.8 billion international trips by 2030, doubling the number of trips made annually in fewer than 20 years”, resulting in higher demand in tourism services including online bookings¹²⁰. With the increase of demand, Booking Holdings must ensure to

¹²⁰ Tonkin, Chloe. “The Duke of Sussex Launches New Global Sustainable Travel Initiative ‘Travalyst’ with Booking.Com and Other Leading Brands.” *Https://News.Booking.Com/*, 2019, news.booking.com/the-duke-of-sussex--launches-new-global-sustainable-travel-initiative-travalyst-with-bookingcom-and-other-leading-brands.

accommodate the growth through sustainable, strategic partnerships with service providers of travel related services.

20.2 Innovation of Platforms Centered Towards Convenience

Convenience for customers is significant, it directly determines the conversion rate of the platforms. By ensuring the innovation of the IT infrastructure for the ecosystem is directed towards improving the user experience based on convenience of bookings and timeliness, Booking Holdings will be able to provide a superior value to their customers. Furthermore, innovation of platforms is directly related to the successful execution of the *Connected Trip* strategy designed to increase the user experience and provide Booking Holdings with increase of revenue growth in the future¹²¹. The data securitization and management also has to be executed efficiently, in order for the customers to feel safe while using the services of Booking Holdings.

20.3 Strong Ecosystem of Brands

Strong ecosystem of brands is a critical success factor, because Booking Holdings acquisition strategy has been centered around providing users with sustainable ecosystem of services that create strong network effect for the users¹²². The company should strengthen their ecosystem of brands to further enhance their market position and fully utilize the potential of their brands to increase the value for the users of their platforms. The *Connected Trip* strategy also depends on the strong fit among the activities of the brands that are creating the ecosystem. Having durable ecosystem of brands in the long-term will create a hard-to-replicate strategy for the company, as well as strong operational effectiveness, which will enhance the market position of Booking Holdings and satisfy the needs of their customers.

20.4 Customer-centric Employees

Customer-centric employees and platforms are a critical success factor, because they enhance the network effect of multi-sided platforms, and provides users on both sides with added value. As of March 2019, Booking.com had 427 million total visits from users, which is 363 million more in comparison to Expedia.com and 343 million more in contrast to Airbnb¹²³.

¹²¹ Booking Holdings. Form 10-k 2020, 2021. Web. Feb 24, 2021. Accessed Feb 28 2021.

<https://ir.bookingholdings.com/index.php/static-files/1bef31b8-a49d-4aed-9a20-0b02e5254007> (p. 45)

¹²² Johnson, Jeffrey. Columbia, 2019, pp. 1–10, “Booking Holdings Inc. (Nasdaq: BKNG)”, <https://www8.gsb.columbia.edu/valueinvesting/sites/valueinvesting/files/pictures/BKNG.pdf>

¹²³ Ibid.

The current success of Booking Holdings is contributed to customer-centric employees and platforms, among other factors, however if Booking Holdings plans to remain the market leader, they will have to base their innovation on the focus on users and user generated platforms. Another variable, which is contributing to the critical success factor of Booking Holdings' future growth is their verified reviews. Booking Holdings currently operates their platforms with strict guidelines and only allows the users to post reviews if they have visited the accommodations or used the services they booked. This is giving Booking.com a competitive advantage as it “has over 25 million verified destination reviews for potential travelers to read” and “the presence of the network effects works to enhance the barriers to entry”¹²⁴. However, as more platforms are adapting these policies, Booking Holdings must focus on further enhancement of the customer-centric strategy to remain ahead of the competitors.

21. Core Competencies



Figure 29. This graph shows the core competencies of Booking Holdings, including interactive user-friendly websites, successful acquisition strategy, and volume of strategic partnerships. **Made by author.**

21.1 Interactive User-friendly Websites

The first core competency of Booking Holdings is interactive user-friendly websites. It directly influences the customers of Booking Holdings to use their services and allows the company to apply visually appealing and easy to use interface across their brands that differentiates them on the mass market. Booking Holdings is one of the most established companies that is operating in the field of online travel agent market, therefore, they have the most experience with user behavior and scalability of their services to expand to new segments of the market. The websites of Booking Holdings are designed to offer an interactive communication and a network of user-generated reviews for the customers, which provides

¹²⁴ Johnson, Jeffrey. Columbia, 2019, pp. 1–10, “Booking Holdings Inc. (Nasdaq: BKNG)”, <https://www8.gsb.columbia.edu/valueinvesting/sites/valueinvesting/files/pictures/BKNG.pdf>

added convenience and security of the quality of services offered on their websites. The easy-to-use websites are attracting the customer seeking to book their accommodations or travel related services online, despite lack of knowledge about the use of the platforms. The customer service that is available 24/7 is further enhancing the interactive aspects of the websites and reduced the miscommunication and confusion of travelers and service providers. Data securitization and management are also important aspects to consider, in order to provide safe experience and develop trust among customers.

21.2 Successful Acquisition Strategy

The second core competency of Booking Holdings is successful acquisition strategy. Booking Holdings has been able to acquire a large volume of brands that are increasing the revenue streams for the company and enhance the ecosystem of platforms operating in the online travel industry. Starting with the acquisition of Booking.com in 2005, the company managed to strategically acquire brands, such as Agoda.com, or Venga among many others, to expand to a giant in their industry¹²⁵. The scale and the history of the acquisitions done by Booking Holdings is hard to replicate, especially due to the ability of the company to generate one of the highest amounts of free cash flows in the industry¹²⁶. The successful acquisition of the brands allows Booking Holdings to constantly provide new services under the brand ecosystem from the customers and increase the value the company offers.

21.3 Volume of Strategic Partnerships

The third core competency of Booking Holdings is the volume of strategic partnerships, because the brands under the ecosystem of the company can offer a competitive listings of travel related services for the customers for superior commissions. This can be observed through looking at Booking.com's 28 million reported accommodation listings in comparison to Airbnb's 6.1 million listings and Expedia's 15 million listings¹²⁷¹²⁸. Booking Holdings has managed to sustain its strong market position through the volume of strategic partnerships they

¹²⁵ Rossolillo, Nicholas. "With Growth Slowing, Acquisitions Are Key to Booking Holdings' Future." *The Motley Fool*, 18 May 2019, www.fool.com/investing/2019/05/18/with-growth-slowing-acquisitions-are-key-to-bookin.aspx.

¹²⁶ The Motley Fool. "Why Booking Holdings Is a Better Investment Than Expedia." *Nasdaq*, 19 Dec. 2019, www.nasdaq.com/articles/why-booking-holdings-is-a-better-investment-than-expedia-2019-12-19.

¹²⁷ Booking.com. "Booking.Com: The Largest Selection of Hotels, Homes, and Vacation Rentals." *Booking.Com*, 20201, www.booking.com/content/about.html?aid=356980&label=gog235jc-1BCBQoggJCBWFib3V0SDNYA2g6iAEBmAEFuAEHyAEM2AEB6AEBiAIBqAIDuAL29siCBsACAdICJDZkNWY4MzcxLWRiOGItNDFjMS1hMzY0LWlwNTkzZDQ1NmFlNtgCBcACAQ&sid=9e9b74a8b9acbfd59383e0e51f274afe&tmpl=docs%2Fabout&lang=en-us&soz=1&lang_click=other;cdl=cs;lang_changed=1.

¹²⁸ Cain, Tyler. "Perfecting Private Accommodations: Airbnb Vs. Expedia." *Toptal Finance Blog*, 30 May 2019, www.toptal.com/finance/market-research-analysts/airbnb-vs-expedia#:~:text=Expedia%20and%20Airbnb%20Are%20the,1.8%2B%20million%20online%20bookable%20listings.

maintain and develop. These strategic partnerships include significant number of accommodation providers, but also restaurants, car hailing and car rental services, air transportation providers, payment platforms, fashion and food online retailers, experience, and activities providers, and meta search engines. However, there is also a significant long-term risk associated with the dependance on partnerships.

22. Conclusion

The core competencies of Booking Holdings include interactive user-friendly websites, successful acquisition strategy, and variety of services offered through strategic partnerships. The critical success factors of Booking Holdings are wide network of loyal service providers, innovation and convenience, strong ecosystem of brands and excellent customer experience. Despite Booking Holdings strong market position in the past, due to their core competencies, the company must focus on continuous innovation to provide customer incentives to use their platforms and sustain a strong customer base. The shortcomings of the current ecosystem of brands, despite successful acquisition of brands, is critical to strengthen to successfully execute the *Connected Trip* strategy.

23. SWOT

| Strengths | Weaknesses |
|--|--|
| <p>1. Substantial on-line presence and robust partnership programs result in a strong global network of key partners/affiliates and high brand awareness among customers.</p> <p>2. Strong acquisition strategy, inducing successful management of new revenue streams and a diverse ecosystem of brands, which are allowing Booking Holdings to offer a wide variety of services to customers.</p> <p>3. High customer satisfaction and conversion rate due to effective utilization of automated services, which are mutually enhancing the individual platforms under Booking Holdings.</p> <p>4. High profitability allows Booking Holdings to generate superior ROE and ROA and finance new acquisitions.</p> | <p>1. Inadequate focus on innovation from Booking Holdings results in ineffective management of R&D and a stagnant innovation rate.</p> <p>2. Weak brand management due to fast company growth and insufficient collaboration among brands under the company.</p> <p>3. High dependence on service providers and affiliates makes Booking Holdings vulnerable to the shift of key partners to independent booking platforms.</p> <p>4. High debt caused by rapid acquisitions of brands exposes Booking Holdings' financial health to risk as their ability to pay its outstanding debt is decreased.</p> |
| Opportunities | Threats |
| <p>1. Technological expansion and investment into new technologies to improve booking services for apps, as well as connect existing platforms to capture a larger market share.</p> <p>2. Strengthen brand marketing activities to expand into the US and increase market share.</p> <p>3. Further expansion of payment method options to adapt to the shift towards booking through smartphones and capture larger market share in Asia.</p> <p>4. Investment into adjacent markets such as alternative accommodations, to provide a competitive package of services and increase market share.</p> | <p>1. Decreasing dependence of key partners on third party booking providers would harm the network of services and decrease commissions obtained by bookings done on Booking Holdings platforms.</p> <p>2. Growth of the popularity of alternative accommodations and lack of IT development to respond to the customer preference change may result in loss of market share.</p> <p>3. Potential additional tax liabilities due to legislative changes, namely in the Netherlands, could significantly increase consolidated income tax.</p> <p>4. Shift in customer preferences and behavior due to Covid-19 resulting in a decrease of bookings.</p> |

Figure 30. This table shows the strengths, weaknesses, opportunities, and threats of Booking Holdings. **Made by author.**

23.1 Strengths

1. *Substantial on-line presence and robust partnership programs result in a strong global network of key partners/affiliates and high brand awareness among customers (See Key Activities pp. 18-27)*

This is a strength, because the global presence of the brands under Booking Holdings is allowing the company to benefit from the network effect and offer a broad range of services on their platforms and attract new customers¹²⁹. In addition, the high brand awareness is allowing the company to provide more travelers to the service providers via the booking platforms, which enhances the platform credibility and the market share. Stronger partnership programs secure the long-term loyalty of the key partners and consistent booking offers, resulting in the increase of customers satisfaction.

2. *Strong acquisition strategy, inducing successful management of new revenue streams and a diverse ecosystem of brands, which are allowing Booking Holdings to offer a wide variety of services to customers (see Critical Success Factors pp. 55-59)*

This is a strength, because the acquisition strategy allows Booking Holdings to consistently expand and provide the customers with wide spectrum of services, thus increasing the superior value for their customer segments. Moreover, the management of the new revenue streams increases the profitability of Booking Holdings and solidifies the ecosystem of brands. The company currently has 28.3 million listings across their platforms, which secures the company's market share and allows the brands to profit from economies of scale and the network effects¹³⁰.

3. *High customer satisfaction and conversion rate due to effective utilization of automated services, which are mutually enhancing the individual platforms under Booking Holdings (see Business Model Canvas pp. 15-16)*

This is a strength, because the high conversion rate is providing the company with a stronger value that is offered to their service providers and increases the satisfaction of both customer segments on their multi-sided platforms. In addition, the customer satisfaction will result in higher customer loyalty, which is crucial in such a competitive environment that has low switching costs for the customers. High utilization of automated services increases the

¹²⁹ Johnson, Jeffrey. Columbia, 2019, pp. 1–10, “Booking Holdings Inc. (Nasdaq: BKNG)”, <https://www8.gsb.columbia.edu/valueinvesting/sites/valueinvesting/files/pictures/BKNG.pdf>

¹³⁰ Johnson, Jeffrey. Columbia, 2019, pp. 1–10, “Booking Holdings Inc. (Nasdaq: BKNG)”, <https://www8.gsb.columbia.edu/valueinvesting/sites/valueinvesting/files/pictures/BKNG.pdf>

efficiency of the platforms resulting in an overall increase of the company's performance across their brand ecosystem and increases the convenience of booking experience for the customers.

4. High profitability allows Booking Holdings to generate superior ROE and ROA and finance new acquisitions (see Financial Analysis pp. 34-35)

This is a strength, because the company is able to generate a superior profit in comparison the competitors and offer the shareholders higher ROE and ROA, which incentivizes the growth of the company. The favorable returns also allow Booking Holdings to generate a higher free cash flow and invest into new acquisitions on a higher rate in comparison the competitors, which is providing the company with a superior value.

23.2 Weaknesses

1. Inadequate focus on innovation from Booking Holdings results in ineffective management of R&D and a stagnant innovation rate (see Current Strategy and Porter's 5 Tests of Strategy pp. 29-30)

This is a weakness, because Booking Holdings is operating in a highly competitive environment that is based on technology and on-line operations, therefore innovation is an important factor to consider maintaining a competitive advantage. The management of the R&D department has improved, however due to the scale of the company and the multitude of brands operating under it, the innovation rate is still low in comparison the competitors, which could result in the loss of market share in the future. If the company misses out on new innovation trends, including their development of apps for smart phone and tablet users, they may lose significant number of potential customers.

2. Weak brand management due to fast company growth and insufficient collaboration among brands under the company (see Strategic Overview pp. 8-10)

This is a weakness, because the potential of the individual brands under the ecosystem is not reached, which limits the profits that could be generated by Booking Holdings. The utilization level of the brands under the company is not reached adequately, therefore the *Connected Trip* strategy cannot be executed in an effective manner¹³¹. Furthermore, the lack of sufficient brand management is resulting in high employee turnover rate, employee

¹³¹ Schaal, Dennis. "Booking Holdings Admits to Having Critical Failures Even Before the Pandemic." Skift, 26 Apr. 2020, skift.com/2020/04/25/booking-holdings-admits-to-having-critical-failures-even-before-the-pandemic/.

dissatisfaction and lack of new talent for the company. Booking Holdings is also unable to effectively expand to new markets and diversify appropriately with their current brands.

3. High dependence on service providers and affiliates makes Booking Holdings vulnerable to the shift of key partners to independent booking platforms (see Porter's 5 Forces pp. 53-55)

This is a weakness, because Booking Holdings' dependence on service providers exposes the company to fluctuations of their service offers, specifically with larger partners including hotel chains and airline ticket providers. The shift of these major partners from third party providers of booking platforms would impose a high financial loss for the company, and customer dissatisfaction. The growth of popularity of acquisitions of smaller hotel chains by larger hotel brands may cause stronger bargaining power for supplier and loss of competitive advantage for Booking Holdings¹³².

4. High debt caused by rapid acquisitions of brands exposes Booking Holdings' financial health to risk as their ability to pay its outstanding debt is decreased (see Financial Analysis pp. 33-34)

This is a weakness, because Booking Holdings may not have the financial ability to pay off debt that has been used to finance their operations and investment activities. The Covid-19 has significantly impacted the ability of the company to pay off debt and operate at its normal levels, therefore the financial risk is increased further. The debt has been creating, because the company has been liquifying their assets and repurchasing their common stock.

23.3 Opportunities

1. Technological expansion and investment into new technologies to improve booking services for apps, as well as, connect existing platforms to capture a larger market share (see External Analysis pp. 40-41)

This is an opportunity, because investing into new technologies to improve the apps of the brands under Booking Holdings could significantly impact the competitive advantage of the company, as the trend of the usage of smartphones and tablets rapidly grows¹³³. Currently

¹³² Sharma, Asit. "Don't Ignore This Long-Term Risk to Booking Holdings' Business." The Motley Fool, The Motley Fool, 11 Nov. 2020, www.fool.com/investing/2020/11/10/dont-ignore-this-long-term-risk-to-booking-holding/.

¹³³ Markets, Research and. "Global \$595.8 Billion Online Travel Agent Market Analysis, Opportunities and Strategies 2015-2019 & 2020-2030." *GlobeNewswire News Room*, "GlobeNewswire", 18 Nov. 2020, www.globenewswire.com/news-release/2020/11/18/2128883/0/en/Global-595-8-Billion-Online-Travel-Agent-Market-Analysis-Opportunities-and-Strategies-2015-2019-2020-

the apps of the brands under Booking Holdings have not been performing optimally, which has discouraged multitude of users from completing their bookings, however if the technology improves Booking Holdings will be able to capture larger market share and satisfy new customers. Furthermore, if the technology improvements are executed adequately the improvement of existing platforms would secure the successful fulfilment of the *Connected Trip* strategy and increase convenience for customers.

2. Strengthen brand marketing activities to expand into the US and increase market share. (See Strategic Overview pp. 10-11)

This is an opportunity, because as of 2020 the majority of the profit made by Booking Holdings was generated outside of US. The US market remains to be primarily operated by the Booking Holdings major competitor, Expedia¹³⁴. The opportunity for Booking Holdings to expand to the US market and capture larger market share would solidify their position and provide additional profits for the brands, including Booking.com, which has not been US focused in the past. The network of partners would also increase, and more services would be offered, which would improve the *Connected Trip* experience for the customers.

3. Further expansion of payment method options to adapt to the shift towards booking through smartphones and capture larger market share in Asia. (See Strategic Overview pp. 9-11)

This is an opportunity, because the payment methods that are available on the platforms for each of the brand under the ecosystem are not offering sufficient payment options for the users, namely on the Asian market, despite the recent improvements and partnerships. For example, the partnership with Atome and Agoda.com is giving users better payment options, however, there is a great potential for expansion of similar payment methods on all the platforms of the company¹³⁵.

2030.html#:~:text=The%20global%20online%20travel%20agent,)%20of%207.9%25%20since%202015.&text=The%20mar ket%20is%20expected%20to,reach%20%24902.2%20billion%20in%202023.

¹³⁴ Sanchez, Luis. "Why Booking Holdings Is a Better Investment Than Expedia." The Motley Fool, The Motley Fool, 19 Dec. 2019, www.fool.com/investing/2019/12/19/booking-holdings-better-investment-than-expedia.aspx.

¹³⁵ Atome. "Agoda Launches Regional Instalment Payment Option with Atome." Business Insider, Business Insider, 20 Dec. 2020, markets.businessinsider.com/news/stocks/agoda-launches-regional-instalment-payment-option-with-atome-1029908909.

4. Investment into adjacent markets such as alternative accommodations, to provide a competitive package of services and increase market share (see External Analysis p.41)

This is an opportunity, because the trend of shifting to alternative accommodations is significantly changing user behavior and preferences. This trend has been further escalated by the pandemic of Covid-19, as travelers perceive private accommodations safer in comparison to booking conventional hotel rooms. Investing into a platform that will specifically target alternative accommodations would significantly increase market share of the company.

23.4 Threats

1. Decreasing dependence of key partners on third party booking providers would harm the network of services and decrease commissions obtained by bookings done on Booking Holdings platforms (see Porter's 5 Forces in the Online Travel Agent Industry p. 54)

This is a threat, because Booking Holdings may lose significant portion of commissions generated from bookings of hotels under large hotel chains, if the key partners decide to implement direct booking platforms that will be independent of Booking Holdings' platforms. This is a long-term threat, as a large portion of both costumes segments of the company may be lost, resulting in the decrease of profits and weaker market position¹³⁶.

2. Growth of the popularity of alternative accommodations and lack of IT development to respond to the customer preference change may result in loss of market share (see External Analysis p. 41)

This is a threat, because if Booking Holdings fails to provide an adequate platform for alternative accommodations, they might lose a significant number of travelers and service providers that are seeking different types of accommodations apart from hotel rooms. The switching costs are low and competition high, therefore remaining competitive with listings is crucial for the company.

3. Potential additional tax liabilities due to legislative changes, namely in the Netherlands, could significantly increase consolidated income tax. (see Political, Economic, Technological and Legal Factors p. 43-44)

This is a threat because, the most profitable brand of Booking Holdings, Booking.com, has the main headquarters in Netherlands. As the legislative of taxes regarding innovation box

¹³⁶ Sharma, Asit. "Don't Ignore This Long-Term Risk to Booking Holdings' Business." The Motley Fool, The Motley Fool, 11 Nov. 2020, www.fool.com/investing/2020/11/10/dont-ignore-this-long-term-risk-to-booking-holding/.

tax changed in 2021, Booking.com may lose several benefits which allowed to company to decrease their consolidated income tax. If Booking.com fails to respond to the new legislation till June 2021, the company will incur sever losses of their consolidated income.

4. Shift in customer preferences and behavior due to Covid-19 resulting in a decrease of bookings (see External Analysis p. 42)

This is a threat because, the company may not be able to sustain its acquisition rate, which shaped a main factor in their strategy. The loss of customers will result in dissatisfaction of service providers, which may diminish loyalty to the brands. The decrease of rooms booked per night might result in a long-term loss of variety of services on the platforms and decrease the competitive advantage of the company. In addition, Booking Holdings had to let go a significant portion of its employees globally, due to the pandemic of Covid-19, which may decrease the operational efficiency of the brand ecosystem.

24. Conclusion

To conclude the SWOT analysis for Booking Holdings shows that the internal and external factors influencing the company, are portraying Booking Holdings strong market position and success in the past in terms of their strategic acquisition strategy and profit generation. Nonetheless, the future of the company is uncertain due to the emerging trends influencing the external factors in the industry (e.g., change of customers behavior due to Covid-19 and shift to alternative accommodations). The high dependance on service providers and low levels of innovation are imposing a long-term risk for the company, as emerging competition may outperform the existing platforms and attract Booking Holdings partners to move away towards the competition. The growing debt and insufficient management of the brand ecosystem is also threatening the long-term competitive advantage of the company, however through improvement of their platforms and apps, and expansion to alternative accommodations, the company could improve their market position and the market share.

25. TOWS Matrix


| | | |
|--|--|--|
|  | <p>Internal Strengths (S)</p> <ol style="list-style-type: none"> 1. Substantial on-line presence and robust partnership programs result in a strong global network of key partners/affiliates and high brand awareness among customers. 2. Strong acquisition strategy, inducing successful management of new revenue streams and a diverse ecosystem of brands, which are allowing Booking Holdings to offer a wide variety of services to customers. 3. High customer satisfaction and conversion rate due to effective utilization of automated services, which are mutually enhancing the individual platforms under Booking Holdings. 4. High profitability allows Booking Holdings to generate superior ROE, ROA, and finance new acquisitions. | <p>Internal Weaknesses (W)</p> <ol style="list-style-type: none"> 1. Inadequate focus on innovation from Booking Holdings results in ineffective management of R&D and a stagnant innovation rate. 2. Weak brand management due to fast company growth and insufficient collaboration among brands under the company. 3. High dependence on service providers and affiliates makes Booking Holdings vulnerable to the shift of key partners to independent booking platforms. 4. High debt caused by rapid acquisitions of brands exposes Booking Holdings' financial health to risk as their ability to pay its outstanding debt is decreased. |
| <p>External Opportunities (O)</p> <ol style="list-style-type: none"> 1. Technological expansion and investment into new technologies to improve booking services for apps, as well as connect existing platforms to capture a larger market share. 2. Strengthen brand marketing activities to expand into the US and increase market share. 3. Further expansion of payment method options to adapt to the shift towards booking through smartphones and capture larger market share in Asia. 4. Investment into adjacent markets such as alternative accommodations, to provide a competitive package of services and increase market share. | <p>1(S)+2(O)+4(S) Booking Holdings can increase investment into social media marketing by partnering with new brand endorsers to expand to the US market to capture a higher market share.</p> <p>3(S)+1(O) Booking Holdings can invest in technological innovation and offer more mobile-friendly apps to provide more value for customers and capture higher market share.</p> <p>S(2)+O(4) Booking Holdings can invest in platform for alternative accommodations to address the emerging trend and increase their market share.</p> | <p>1(W)+1(O) Booking Holdings can improve innovation in R&D by thoughtful investment towards creation of better apps offering services of all brands to strengthen market position.</p> <p>2(W)+2(O)+4(W) Booking Holdings can strengthen online interconnection of their brands to effectively utilize the potential of the ecosystem and secure a strong market position in the US.</p> <p>2(W)+3(O) Booking Holdings can unify and improve payment methods across brands to strengthen customer satisfaction and expand operations on the Asian market.</p> |
| <p>External Threats (T)</p> <ol style="list-style-type: none"> 1. Decreasing dependence of key partners on third party booking providers would harm the network of services and decrease commissions obtained by bookings done on Booking Holdings platforms. 2. Growth of the popularity of alternative accommodations and lack of IT development to respond to the customer preference change may result in loss of market share. 3. Potential additional tax liabilities due to legislative changes, namely in the Netherlands, could significantly increase consolidated income tax. 4. Shift in customer preferences and behavior due to Covid-19 resulting in a decrease of bookings. | <p>1(S)+1(T)+4(T) Booking Holdings can focus on strengthening the loyalty of service providers by introducing long-term rewards to prevent the shift to direct booking from third-party booking providers and maintain a loyal customer base.</p> <p>2(S)+3(S)+2(T) Booking Holdings can utilize a strong global presence of their platforms by establish a crowd-sourcing platform to accommodate the change of customer preference and establish new channel of communication to understand new preferences.</p> | <p>3(W)+1(T) Booking Holdings can develop a network of services independent of third-party partnerships and affiliates to decrease dependence on external commission sources.</p> <p>2(W)+2(T) Booking Holdings can strengthen brand management by investment into IT development of platform for interconnecting brands under Booking Holdings, to offer all travel-related booking services under one platform, gain a competitive advantage and increase market share.</p> |

Figure 31. This table shows the TOWS matrix of Booking Holdings. **Made by author.**

26. Strategic Alternatives

26.1 Strategic Alternative 1

1(S)+2(O)+4(S) and 2(W)+2(O)+4(W) and 2(S)+3(S)+2(T)

Capture a higher market share by increasing investment into on-line brand marketing and partnering with new brand endorsers, establishing a crowd-sourcing platform and strengthen internal operations among brands owned by Booking Holdings to develop strong brand management to effectively utilize the potential of the brands and secure a strong market position in the US market.

Booking Holdings has a strong presence in the European market for online booking and travel related services. However, as Expedia remains dominant on the US market the expansion of the company's largest brand, Booking.com, could produce new revenue streams, decrease the indebtedness of the company that was incurred through their vigorous acquisition strategy, and capture market share that is now held by Expedia. The expansion to the US market would attract new customers and diversify the network of available services offered to travelers globally. The expanded offer of services would also help to execute the *Connected Trip* strategy, as customers will be able to book their trip solely on the platforms of Booking Holdings, instead of switching between Booking Holdings and Expedia.

The expansion could be executed through attractive partnerships with brand endorsers, such as social media influencers or travel bloggers, among others. Furthermore, a crowd-sourcing platform would enable the company to better understand the needs of customers on the US market and make a smoother transition, while providing an interactive outlet for their customer segments. To establish a strong presence on the US market the internal operations of the brands must be strengthened, which could be done through optimized resource allocation and connection of services offered by all brands through Booking.com, as it has the largest customer base.

26.2 Strategic Alternative 2

S(2)+O(4) and 2(W)+2(T) and 3(W)+1(T)

Decrease the dependence on external commission sources and strengthen market position by shifting to a network of services independent of outside partnerships and affiliates, interconnecting all the existing brands under one platform, and incentivize stronger rewards to improve customer loyalty.

Booking Holdings is operating through multi-sided platforms, therefore it requires the services of service providers, such as hotel chains. However, the dependence on these partners

is imposing a long-term risk to the competitiveness of the platforms. As KAYAK opened their first hotel, which is directly owned by Booking Holdings, it may indicate that the company is implementing a diversification strategy to mitigate these long-term risks, however one hotel is not sufficient to avoid the risks. Managing a network of independent services would impose great restructuring and diversification of the company, and in the long-term it would allow Booking Holdings to expand their brand ecosystem and provide increased user experience from new technologies and seamless traveling.

User convenience would be increased by merging the existing services offered by Booking Holdings with the new independent services under one platform, which would also provide a seamless transition and long-term growth. Lastly, implementing stronger rewards to improve customer loyalty would allow Booking Holdings to offer superior value and have a stable customer base, thus securing their market position as the leading company offering booking platforms for travel related services.

26.3 Strategic Alternative 3

1(W)+1(O) and 3(S)+1(O) and 2(W)+3(O)

Capture a higher market share by investing into innovation of more mobile-friendly apps, and unify and improve payment methods across brands to adapt to the change in customer behavior, capture more market share on the Asian market and maintain customer satisfaction.

Booking Holdings should improve their payment options across all the brands in the ecosystem by partnering with a bigger volume of financial transaction providers. Furthermore, to reinforce their presence in the Asian market, the company should redesign/update their mobile apps, as reservations made through the smartphones and tablets are increasingly popular on the Asian market. The opportunity gained by stronger presence on the Asian market would significantly increase the consolidated revenue for Booking Holdings. Despite their current presence in Asia, the lack of appropriate payment methods to accommodate the customer needs specific to the geographical placement are limiting the full potential of the ecosystem of brands under Booking Holdings. The adaptation of innovative and user-friendly apps with the combination of wider variety of payment options across all brands would secure larger market share on the Asian market and increase customer satisfaction.

27. Current Strategy Restated

The current strategy of Booking Holdings is to utilize their portfolio of brands to create a *Connected Trip* experience. This strategy would provide a platform to conveniently interconnect all the services offered by each brand and expand the payment methods, as well as provide better flight reservation services. This strategy will increase satisfaction and strengthen the market position of the company.

The strategy is currently not effective, as the execution was not adequately implemented due to weak brand management, lack of the unification of payment methods, and missing airline booking platform, which was supposed to be implemented in 2021. Furthermore, due to the Covid-19 pandemic, the company experienced several delays and financial losses preventing it from fully financing the *Connected Trip* strategy.

28. Strategic Question Restated

This thesis analyzes the ecosystem of brands under Booking Holdings and addresses the following strategic hypothesis:

Booking Holdings has been rapidly acquiring brands in the field of online travel and reservation services. The current brands under the company include Booking.com, KAYAK, Priceline.com, Agoda.com, Rentalcars.com, and OpenTable. The rapid growth of the company weakened the management of the brand ecosystem within Booking Holdings, and caused a disconnection between effective innovation and resource allocation. As Booking Holdings struggles to keep-up with the emerging competition, a change in customer behavior is also threatening the company to lose a significant market share in the online travel agent industry. The demand for alternative services is causing a negative decrease in profit margins and fewer available options due to space constraints typical for alternative accommodations. Furthermore, the company has been heavily affected by the ongoing pandemic of Covid-19, which significantly reduced their profits in 2020, and forced Booking Holdings to slow down their acquisition rate, which will put the company in a competitive disadvantage against emerging competition such as Google and Amazon.

As Booking Holdings is composed of six interconnected brands struggling to work efficiently as one unit, the thesis will be addressing the following question: What strategy should Booking Holdings apply to strengthen their management of the brand ecosystem, overcome the changes of customers behavior and keep-up with emerging competition to maintain and sustain its competitive advantage?

29. Recommended Strategy

The recommended strategy for Booking Holdings to strengthen their management of the brand ecosystem, overcome the changes in customers behavior, and keep-up with emerging competition to maintain and sustain its competitive advantage is to: *Introduce one app that will offer all services from the 6 brands under the ecosystem with unified payment system, full trip packages (offering airplane tickets, a wide spectrum of alternative accommodation options and transportation), a monthly subscription plan that will offer highly personalized deals to loyal customers and expand their brick-and-mortar hotel chain operated by KAYAK in the US market.*

Developing one app that will be able to offer all the services of the brands under the ecosystem will support the current strategy of Booking Holdings and improve their weak management of the brand ecosystem. Furthermore, the customer experience will be reinforced by the improved convenience of the app, as the users will not have to open a variety of individual apps for their booking. The brand distinction will remain clear in the app, however with the merging of the services it will be easier to make bookings and reservations. As Booking.com has flight booking partner Gotogate, but it redirects the users to a third-party site, the inclusion of the tickets in the trip packages will add convenience for users and improve the value of using the app.

Alternative accommodations must be considered for the recommended strategy, either as an extension of current offers on Booking.com, or as a separate brand, despite the potential negative effect on profit margins due to additional costs associated with this type of accommodations. It would be advised to implement the option of extension, as the Covid-19 impacted the financial ability of Booking Holdings to invest into new acquisitions during 2021. Furthermore, the financial resources will be needed for the hotel chain implementation. Alternative accommodations will provide the app with wider options for users, and address the growing trend of booking these types of accommodations instead of traditional hospitality establishments. Transportation is already included in the current service offers; however, these services should be extended and unified to all brands to provide stronger user convenience and consistency.

A monthly subscription plan will provide an opportunity for Booking Holdings to obtain an additional revenue stream from the subscription fee. The customer that will subscribe will receive monthly travel articles, tips for traveling, and short travel documentaries. These materials will showcase the possibilities they can experience by using the booking services offered on the platforms of Booking Holdings, and provide new partnerships with brand

endorsers- travel bloggers, influencers, and travel photographers. These packages will reinforce the marketing and give users interactive content. Furthermore, the suggestions made for users will be sent once per month via email, and will be highly personalized to avoid user annoyance with frequent and irrelevant emails. The subscription plan will additionally provide special deals based on user preferences, and incentivize them to complete their reservations and receive rewards in return, such as additional discounts. This new strategy will directly improve the current strategy used for loyalty systems and rewards.

Booking Holdings' online dependence on service providers will be reduced by implementing a hotel chain that will be a part of KAYAK's operations and an add-on to their first hotel that was opened in Miami. This diversification will reduce the long-term risk the company is facing by basing their operations solely on online bookings through partnerships with service providers, and reinforce the company's market position in the US.

The strategic implementations outlined above will provide Booking Holdings with a tool to strengthen their lack of brand cooperation and weak management of the brand ecosystem. Customer loyalty will strengthen, and Booking Holdings will be able to successfully compete with their app and keep-up with the emerging competition. Competitive advantage will be achieved by increased innovation and a durable chain of online services, backed-up by the chain of physical brick-and-mortar hotels in the US. The new app will appeal to customers in the Asian markets, and provide grounds for new revenue streams.

30. Revised Mission and Vision

30.1 Revised Mission

The revised mission statement for Booking Holdings would be: *to experience the world and empower travelers to book their accommodation and travel related services in a worry free and safe manner through one convenient platform and app.*

The revised mission statement is reflecting their current strategy better, while also implementing the changes suggested in the recommended strategy. The company's core values are preserved, however the implementation of the app and better connection of the brands under the app will strengthen their management of the brand ecosystem and accommodate the changes of customers behavior. Furthermore, the convenience of connecting a brick-and-mortar hotel chain will allow the company to improve their technology based on customer behavior, increased innovation, and expansion of their services to US. The revised mission statement is highlighting the importance of easy traveling without discomfort and improved affordability. Based on the app and subscription plan the company will be able to better

differentiate and keep-up with emerging competition to maintain and sustain its competitive advantage.

30.2 Revised Vision

The revised vision statement for Booking Holdings would be: *to be the customers favorite choice in assisting, planning and booking of travel through personalized packages and hotels, which will transform the concept of seamless travel.*

The revised vision statement is providing a clear overview of the company's goals and aspirations. Furthermore, the statement reflects on the strategy of expansion through hotel chain and seamless travel through personalized packages including all services available (e.g., accommodations, attractions, tickets for tours and entertainment, transportation, airplane tickets, in-transition services, corporate packages, restaurant reservations and meta search engine). The focus on seamless travel indicates that the future of the company lays on strengthening of their brand ecosystem and stronger focus on innovation in terms of online platforms, but also technology in their hotels, which will provide superior value for their customers.

31. Suggested Activity Systems Map

31.1 Revised Activity Map

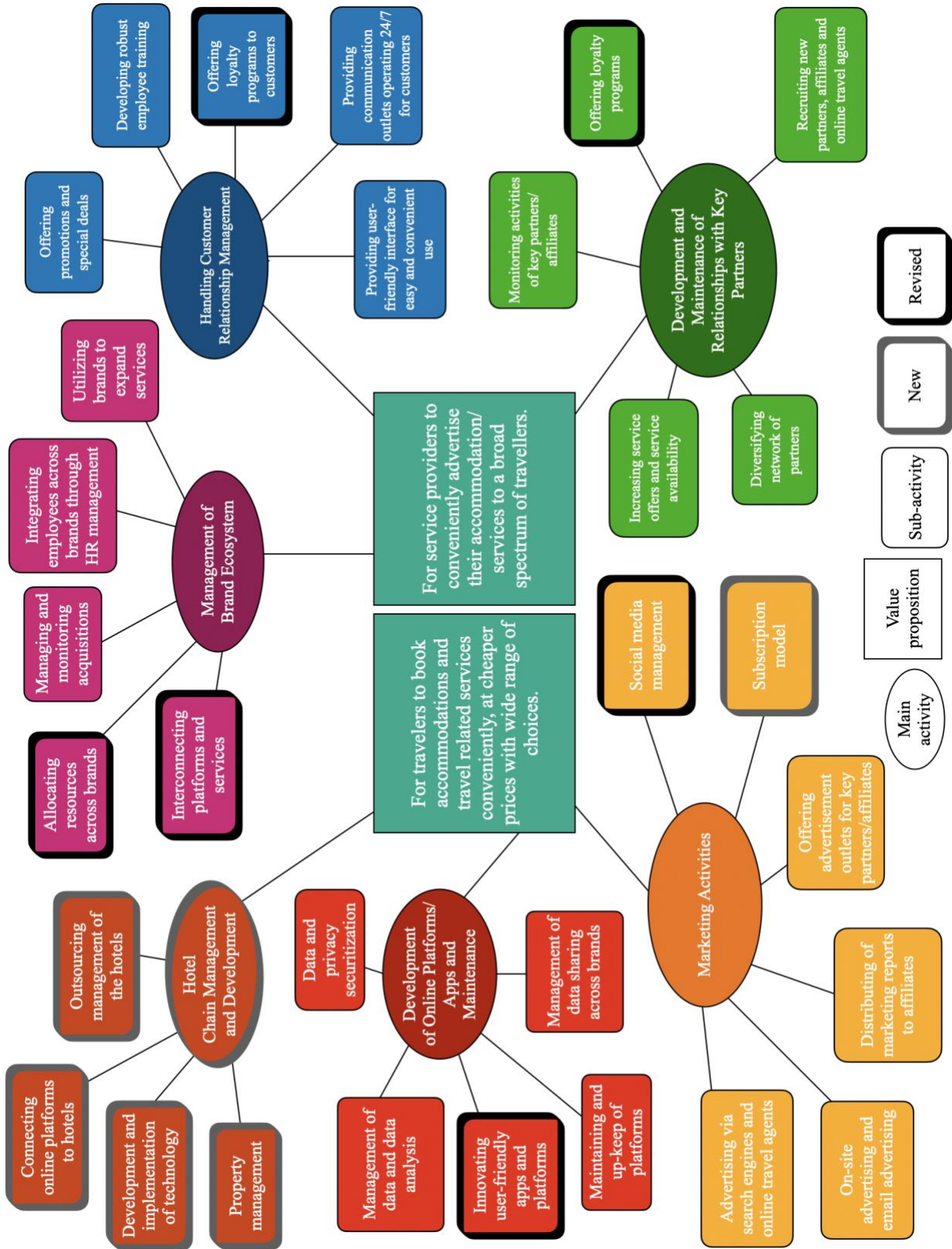


Figure 32. The diagram shows Booking Holdings’ Revised Activity Systems Map. The grey circles represent new main activities and new sub-activities, the black circles represent revised sub-activities. **Made by the author.**

31.1.1 Implementation of Hotel Chain into Activity Map

The implementation of the hotel chain into the activity map, while preserving the core competencies of Booking Holdings, is a challenging task, however if executed appropriately, it will significantly increase the market presence of the company in the US market and decrease their long-term risks associated with the volume of the strategic partnerships the company has on their online platforms. Nonetheless, the current corporate structure is focusing on online operations, therefore expanding to hospitality industry will be challenging.

After taking into consideration these obstacles, the best solution for seamless expansion of their current hotel operated by KAYAK in Miami, would be to outsource the operations and the management of the hotels to a company that is already established in the industry. In addition of the outsourcing of the management of the hotels, Booking Holdings may consider rebranding KAYAK to focus mainly on the hotels and shift their online operations to Booking.com to create a clear distinction of the services and remain impartial booking platform.

The additional activities associated with the hotel management are: connecting online platforms to hotels, developing and implementation of technology and property management. These activities will interconnect the hotels to new technologies and the current platforms of the company and increase knowledge regarding customer through data collection in hotels. Resources will have to be allocated appropriately in the long run to accommodate for the expansion of Booking Holdings.

31.1.2 Revised Marketing Activities and Management of Brand Ecosystem

The recommended strategy would significantly improve the collaboration of brands through the app, and through the revised marketing activities. The ecosystem would be reinforced with the hotel chain to provide a durable structure and improve traveling of their customers through seamless travel experience. The marketing activities in form of subscription model would provide stronger loyalty programs, while expanding their online presence to social media platforms (e.g., YouTube, Instagram, TikTok). These activities will also decrease the dependence on search engines including Google, because traffic will be generated from other channels.

31.1.3 New Strategic Fit

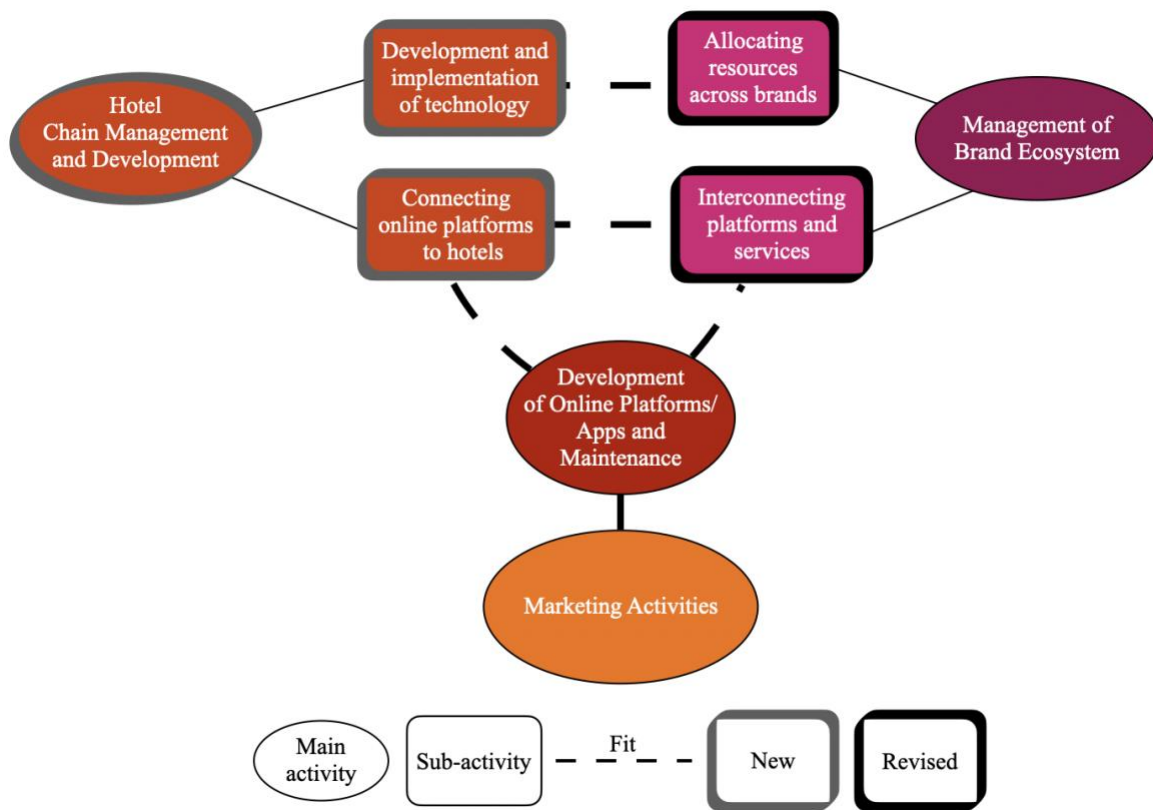


Figure 33. The revised strategic fit between four main activities: Development of Online Platforms/Apps and Maintenance; Hotel Chain Management and Development; Marketing Activities and Management of Brand Ecosystem. **Made by the author.**

The new strategic fit is created through strong focus on the full utilization of the *Connected Trip* strategy, and the recommended strategy. The new main activity, hotel chain management and development, will accommodate for the expansion of Booking Holdings, while creating a strategic fit between the development and implementation of technology, connecting platforms and hotels and the sub-activities under development of online platforms/apps and maintenance, marketing activities and management of the brand ecosystem.

The strategic fit relies on the connection of data sharing across the hotels and platforms to create seamless travel in terms of both, booking experiences and utilization of technology in the hotels. The reason as to the fit is, because of all the sub-activities under the main activities outlined above work together to produce superior value for the customers, and strengthen the ecosystem of brands. The social media management and the subscription model under marketing activities reinforce the user-friendly interface and loyalty programs, while interconnecting the platforms and services through interactive posts and packages.

Furthermore, interconnecting platforms and services and resource allocation will be revised and improved to accommodate for the shift to mobile app and long-term financing of the hotels.

32. Porter's 5 Tests Comparison

32.1 A Unique Value Proposition

The recommended strategy passes the first test of a unique value proposition. The company will be able to better differentiate itself by providing a unique value to their customers through offering innovative experiences from making your bookings to staying in hotels under KAYAK. The subscription plan will further improve the value proposition by offering services that are unique to the customers in the form of high-quality interactive content and a new sense of community.

32.2 A Tailored Value Chain

The recommended strategy passes the second test of a tailored value chain. The additions to the current value chain will reinforce the core competencies of Booking Holdings, and expand their services through outsourcing of the hospitality management. Moreover, the booking and reservations systems and data collected through the new hotels will strengthen the understanding of customer behavior, and help to provide an improved and superior value to the consumers in the long run.

32.3 Trade-offs Different from Rivals

The recommended strategy passes the third test of trade-offs different from rivals, if the management of the vertical integration through development of a hotel chain will be executed correctly. The company will be able to sustain its focus on online operations, and enhance data sharing and data analysis through the development of the hotel chain. The company is maintaining its focus on travel services, acquisition strategy and clearly defined value proposition that sets up Booking Holdings' long-term objectives to maintain their leading position.

32.4 Fit Across the Value Chain

The recommended strategy passes the fourth test of fit across the value chain, if the hotel chain management and development will be executed accordingly. It is crucial to acknowledge the differences in operations from online corporate environment to hospitality management. If Booking Holdings successfully outsources the management of the hotels and

rebrands KAYAK to better represent the shift, while moving the majority of the online bookings to Booking.com to preserve clear differentiation and impartiality, the fit across value chain will strengthen. Furthermore, the use of customer data collected from the new operations will provide new valuable insights for the company, and strengthen their subscription model in terms of personalization and efficiency. The app will also strengthen the fit across value chain in terms of reinforced management of the brand ecosystem, data sharing and better information exchange for the customers.

32.5 Continuity over time

The recommended strategy passes the fifth test of continuity over time, as it would present a long-term expansion strategy in terms of implementation of the hotel chain. The rest of the recommended strategy, the subscription model implementation and introduction of a robust app fit well in the operations of Booking Holdings. It would set up Booking Holdings with a competitive and superior value that will allow the company to keep-up with emerging competition, and meet the change in customer preferences.

33. Strategy Justification and Implementation

33.1 Practicality of Expansion to US

The suggested strategy is aiming to achieve higher market share in the US market, as historically Booking Holdings has had a weak market presence there, despite its US origins. As KAYAK has operations focused on US, and opened its first hotel, the hotel chain expansion would serve as a new extension to the operations under the Miami hotel and solidify its position. The expansion carries several challenges, including proper adjustment of data management to fit the recommended strategy and reduce loss of data associated with the implementation. With KAYAK's shift to hotel chain operations, impartiality would be preserved through a shift of online services to Booking.com, as the company is the leading brand with strongest brand recognition. Furthermore, reinforced marketing activities would improve the market position of Booking Holdings. The interactive subscription model, revised travel packaging (including corporate travel packages) and increased social media presence will provide more visibility for the company, and decrease dependence on meta search engines.

33.2 Long-term Risk

While the suggested strategy carries a moderate amount of risk in terms of expansion from online operations to hospitality industry, the long-term risk of dependence on online

partners would significantly decrease. Furthermore, the data management, data security and data sharing across brands during this transition impose additional risk, as it is important to prevent the loss of data and ensure the expansion will be handled accordingly. Data maintenance must also be secured in order to decrease risk from failure to retain and process new data. The diversification of operations would benefit the company in terms of balancing the volatility and fast pace environment of online operations with a more stable and established industry, such as hospitality. The expansion of services to hotel chain operations imposes a financial risk, however, with additional funding from investors and with the history of strong financial growth (excluding the non-representative year of 2020 due to Covid-19) Booking Holdings is in a good position to shift their focus on the seamless travel and hospitality operations.

33.3 Differentiation from Competitors

The difficulty to differentiate the platforms under Booking Holdings from competitors, such as Expedia would be decreased through the innovative app, which will gather all the brands in the ecosystem of the company under one place, and provide a sustainable competitive advantage. Furthermore, the subscription model will provide the customers with superior value and new brand endorsers (e.g., Instagram influencers, YouTubers) will introduce stronger user experience through emotional appeal and feel of a community. Lastly, the hotel chain will set Booking Holdings apart from its competitors, and the company will be able to offer an unmatched customer experience through implementation of new technologies to their hotels and improved automatization of services.

33.4 Financial Feasibility

In terms of financial feasibility, the implementation of a subscription model will generate new revenue streams without a strong financial burden. The development and upgrade on the new app for the 6 brands is financially more demanding, however with the history of Booking Holdings performance the feasibility of the implementation is not imposing a significant risk. The biggest financial investment would be the hotel chain, however, this is a long-term strategy and would be developed in the matter of many years. Therefore, gradual expansion is financially manageable, considering that Booking Holdings introduced their first hotel without financial difficulties. The implementation of appropriate data management software and system should also be considered as the financial resources needed for the change are significant and impose a risk. Data control and mitigation of loss of data during the

transition to accommodate for new data collected from the hotel chain operations are another financial burden to consider as the implementation is challenging. Social Media advertising through brand endorsers is financially more feasible in comparison to advertising through search engines, such as Google, therefore, the shift could decrease advertising expenses in the long run. It is also important to note that despite the reduction of employees in 2020 under Booking.com, the compensation packages for the employees who were let go did affect the expenses on workforce, and the full effect of the reduction of workforce will be seen in 2021. The decrease of expenses on workforce will allow Booking Holdings to shift their focus on innovation and development of the new app.

33.5 Impact on Stakeholders

The recommended strategy will increase personalization of booking experience for the customers using the subscription model and eliminate frequent emails, as it will instead send a promotion package one time per month with high quality materials. Furthermore, there will be an increased sense of community and interaction through reinforced social media presence of Booking Holdings. The package offers, ranging from reservation of airplane tickets to accommodations, will increase convenience and customer satisfaction. Safety of booking will also be increased, as all confirmations of reservations will be easily accessible through the app for smart phones and tablets. The hotel chains will provide added value and experience to the customers through implementation of new technologies and luxurious, yet affordable accommodations.

33.6 Connected Trip Fit

The recommended strategy is also connected with the current strategy, as *Connected Trip* is still significant for the company to stay competitive and keep-up with the emerging competition. The recommended strategy is designed to complement the current strategy, take advantage of Booking Holdings market position, strengthen the ecosystem of brand management, and expand to new industry through vertical integration. Connecting brands through an app is relevant to the *Connected Trip*, and it approaches changes in terms of execution and shift to the new emerging trends of smart phone and tablet usage to accommodate for new user preferences.

34. Final Conclusion

The new recommended strategy was crafted through the analysis of TOWS and the strategic alternatives to address the following strategic question: *What strategy should Booking Holdings apply to strengthen their management of the brand ecosystem, overcome the changes of customers behavior and keep-up with emerging competition to maintain and sustain its competitive advantage?* The recommended strategy to address the question would be to: *Introduce one app that will offer all services from the 6 brands under the ecosystem with a unified payment system, full trip packages (offering airplane tickets, a wide spectrum of alternative accommodation options and transportation), a monthly subscription plan that will offer highly personalized deals to loyal customers and expand their brick-and-mortar hotel chain operated by KAYAK in the US market.*

The recommended strategy does carry risks with the execution; however, if executed properly the long-term benefits will outweigh the risks. The activities map and the strategic fit would be reinforced and improved to better represent the new direction of the company. Furthermore, the recommended strategy passes all the Porter's 5 tests, and carries a positive impact on the successful expansion of Booking Holdings, both geographically and through diversification. Therefore, the strategy should be implemented to achieve a durable and sustainable competitive advantage.

35. Appendix

*Brief History*¹³⁷

Booking Holdings was established in 1997 by Jay Walker in Stamford, Connecticut. The company was originally called Priceline and became an IPO in 1997, reaching \$12.9 billion on the first day¹³⁸. The company was experimenting with selling of groceries, gasoline, long distance telephone services, home mortgages and many others¹³⁹. The company became successful for *Name Your Own Price* services on their Priceline website. The company was profitable since 2001 and in 2002 Jeffrey H. Boyd was named the Chief Executive Officer of Priceline. After outgrowing *Name Your Own Price* services, the company moved into retail air space industry and acquired a majority stake in TravelWeb in 2004. The company expanded with other major acquisitions and officially entered the retail hotel business. In 2005 Priceline acquired Booking.com, in 2007 Booking.com acquired Agoda.com, and in 2009 Priceline was added to the S&P 500 Index.

Priceline surpassed major competitors such as Expedia in the year of 2010. In 2013 Jeffrey H. Boyd became the Chairman of the Priceline Board of Directors and Darren Huston was named the new CEO. KAYAK was also acquired during the same year. OpenTable followed in 2014, Priceline also rebranded to Priceline group, which better reflected their company and the many brands they owned. Glenn Fogel became the most recent CEO and the President of the company in 2017, while Jeffrey H. Boyd became the Executive Chairman of the Board of Directors. In 2018 Priceline Group rebranded again to Booking Holdings, while rapidly expanding through many strategic partnerships and acquisitions.

Organizational Structure

The organizational structure of Booking Holdings is hierarchical, however in comparison to other industries the hierarchical structure is leaning slightly towards decentralization due to nature of the tech industry and having seven headquarters globally¹⁴⁰. Because of the rapid acquisitions of brands and increased global operations the hierarchical structure is not effective, because it is significantly slowing down the decision-making process among the ecosystem of brands.

¹³⁷ Booking Holdings Inc. "History." *Booking Holdings*, 8 Jan. 2020, www.bookingholdings.com/about/history.

¹³⁸ Booking Holdings Inc. "History." *Booking Holdings*, 8 Jan. 2020, www.bookingholdings.com/about/history.

¹³⁹ Ibid.

¹⁴⁰ Booking.com. "Booking.Com Research Reveals Gender Bias in the Tech Industry Is Not Just Limited to IT and Engineering." *Booking.Com*, 2017, news.booking.com/bookingcom-research-reveals-gender-bias-in-the-tech-industry-is-not-just-limited-to-it-and-engineering.

Management

The management of Booking Holdings consists of Glenn D. Fogel who is the Chief Executive Officer and President, Peter J. Millones Jr. who is the Executive Vice President and General Counsel, David I. Goulden who is the Executive Vice President and Chief Financial Officer¹⁴¹. The management additionally consists of board of directors including twelve board members of which two are women. Booking Holdings has brand leaders in charge of the individual brands that are listed in the table below.

| Brand | Leader | Position |
|-------------|----------------|----------|
| Booking.com | Glenn D. Fogel | CEO |
| Priceline | Brett Keller | CEO |
| KAYAK | Steve Hafner | CEO |
| Agoda | John W. Brown | CEO |
| OpenTable | Debby Soo | CEO |

Figure 32. This table shows the brand leaders of the brands under Booking Holdings. **Made by the author.**

Ownership

Booking Holdings ownership is mainly composed from Vanguard Group, Inc with 7,58% shares, Blackrock Inc with 7,06% shares and Price (T. Rowe) Associates Inc with 4,65% shares¹⁴². These three institutional holders also have significant percentages of shares in Expedia, TripAdvisor, Airbnb and Trip.com. The similarities of holders for these companies operating in the same industry should be noted as they are significantly made up of mutual fund companies.

Culture

The culture of Booking Holdings is aiming to be very inclusive and ethically based¹⁴³. Booking Holdings is putting strong emphasis on “promoting increased awareness of gender parity issues”¹⁴⁴. Booking Holdings also has a *Women in Tech Program*, which has positively influenced the composition of women in Booking.com and Agoda to over 50%¹⁴⁵. Furthermore,

¹⁴¹ Booking Holdings. “Leadership.” *Booking Holdings*, 21 Aug. 2020, www.bookingholdings.com/about/leadership.

¹⁴² “Booking Holdings Inc. (BKNG) Holders.” Yahoo Finance, Yahoo Finance, 2021, finance.yahoo.com/quote/BKNG/holders?p=BKNG.

¹⁴³ *Booking Holdings Inc. Annual Corporate Responsibility Report, 2018. Web. 2018.* https://www.bookingholdings.com/wp-content/uploads/2019/03/BKNG_CR2018_Print_03112019.pdf (p. 4)

¹⁴⁴ *Ibid.*

¹⁴⁵ *Booking Holdings Inc. Annual Corporate Responsibility Report, 2018. Web. 2018.* https://www.bookingholdings.com/wp-content/uploads/2019/03/BKNG_CR2018_Print_03112019.pdf

the culture in the company is very diverse as the employees come from over 150 nations and work globally between the 7 headquarters Booking Holdings owns¹⁴⁶.

Markets

Booking Holdings is offering their services globally with several specialized geographical markets. Booking.com and Rentalcars.com is primarily focusing on the European online travel agent market, KAYAK and OpenTable have the strongest presence in United States, Priceline’s focus market in in North America and Agoda is focusing on the Asia-Pacific region, more specifically Bangkok and Thailand¹⁴⁷. Booking Holdings is operating in retail consumer markets for leisure travelers and corporate clients.

Products/Services

Booking Holdings offer a wide spectrum of services that are categorized in the table below based on brands Booking Holdings is operating.

| | ACCOMODATIONS | GROUND TRANSPORTATION | FLIGHTS | RESTAURANTS | ACTIVITES | META SEARCH |
|----------------|---------------|-----------------------|---------|-------------|-----------|-------------|
| Booking.com | ✓ | ✓ | ✓ | ✓* | ✓ | |
| KAYAK | | | | | | ✓ |
| priceline | ✓ | ✓ | ✓ | | | |
| agoda | ✓ | ✓ | ✓ | | ✓ | |
| Rentalcars.com | | ✓ | | | | |
| OpenTable | | | | ✓ | | |

* Available in select cities.

Figure 33. Table showing the range of services offered by Booking Holdings categorized into brands. **Source: Booking Holdings 10-K form 2019, 2020¹⁴⁸.**

Booking.com and Rentalcars.com

These two brands are currently working closely together to provide superior value to their customers. Booking.com is “world's leading brand for booking online accommodation

¹⁴⁶ Ibid.

¹⁴⁷ Booking Holdings. *Form 10-k 2019*, 2020. Web. Feb 26, 2020. Accessed Feb 09 2021.

<https://ir.bookingholdings.com/static-files/92c3d5b6-8f42-4686-afc1-f6bd61b94e06> (p. 4)

¹⁴⁸ Booking Holdings. *Form 10-k 2019*, 2020. Web. Feb 26, 2020. Accessed Feb 09 2021.

<https://ir.bookingholdings.com/static-files/92c3d5b6-8f42-4686-afc1-f6bd61b94e06> (p. 3)

reservations”, with headquarters in the Netherlands¹⁴⁹. The platforms for Booking.com offered approximately 28 million listing for their customers to select from¹⁵⁰. Rentalcars.com are offering car reservations in over 60,000 locations and offer pre-booked taxi services in over 850 airports in partnership with Booking.com¹⁵¹.

KAYAK

KAYAK has headquarters in Stamford, Connecticut and their services consist of offering online price comparisons, also referred to as meta-search engine. KAYAK has biggest market in United States through operating with Momondo, Cheapflights and HotelsCombined¹⁵². The brand name does not fully represent the nature of operations offered on the platform; therefore, it would be beneficial to rebrand and select a name, which better represents the brand.

Priceline

Priceline is offering discounted travel reservations with focus on the North American market. Their headquarters are in Norwalk, Connecticut, and Priceline’s customer can reserve hotels, rental car, airline ticket reservation services, and vacation packages including cruises¹⁵³.

Agoda

Agoda is focusing on the Asia-Pacific region with headquarters in Singapore and operations centered around Bangkok and Thailand¹⁵⁴. They offer flight and group transportation reservations, as well as online accommodation reservations.

¹⁴⁹ Booking Holdings. *Form 10-k 2019*, 2020. Web. Feb 26, 2020. Accessed Feb 09 2021.

<https://ir.bookingholdings.com/static-files/92c3d5b6-8f42-4686-afc1-f6bd61b94e06> (p. 4)

¹⁵⁰ Booking.com. “Booking.Com: The Largest Selection of Hotels, Homes, and Vacation Rentals.” Booking.Com, 20201, [www.booking.com/content/about.html?aid=356980&label=gog235jc-](http://www.booking.com/content/about.html?aid=356980&label=gog235jc-1BCBQoggJCBWFib3V0SDNYA2g6iAEBmAEFuAEHyAEM2AEB6AEBiAIBqAIDuAL29siCBsACAdICJDZkNwY4MzcxLWRiOGItNDFjMS1hMzY0LWIwNTkzZDQ1NmFlNtgCBcACAQ&sid=9e9b74a8b9acbd5f59383e0e51f274afe&tmpl=docs%2Fabout&lang=en-us&soz=1&lang_click=other;cdl=cs;lang_changed=1)

[1BCBQoggJCBWFib3V0SDNYA2g6iAEBmAEFuAEHyAEM2AEB6AEBiAIBqAIDuAL29siCBsACAdICJDZkNwY4MzcxLWRiOGItNDFjMS1hMzY0LWIwNTkzZDQ1NmFlNtgCBcACAQ&sid=9e9b74a8b9acbd5f59383e0e51f274afe&tmpl=docs%2Fabout&lang=en-us&soz=1&lang_click=other;cdl=cs;lang_changed=1](http://www.booking.com/content/about.html?aid=356980&label=gog235jc-1BCBQoggJCBWFib3V0SDNYA2g6iAEBmAEFuAEHyAEM2AEB6AEBiAIBqAIDuAL29siCBsACAdICJDZkNwY4MzcxLWRiOGItNDFjMS1hMzY0LWIwNTkzZDQ1NmFlNtgCBcACAQ&sid=9e9b74a8b9acbd5f59383e0e51f274afe&tmpl=docs%2Fabout&lang=en-us&soz=1&lang_click=other;cdl=cs;lang_changed=1)

¹⁵¹ Booking Holdings. *Form 10-k 2019*, 2020. Web. Feb 26, 2020. Accessed Feb 09 2021.

<https://ir.bookingholdings.com/static-files/92c3d5b6-8f42-4686-afc1-f6bd61b94e06> (p. 4)

¹⁵² Booking Holdings. *Form 10-k 2019*, 2020. Web. Feb 26, 2020. Accessed Feb 09 2021.

<https://ir.bookingholdings.com/static-files/92c3d5b6-8f42-4686-afc1-f6bd61b94e06> (p. 4)

¹⁵³ Booking Holdings. *Form 10-k 2019*, 2020. Web. Feb 26, 2020. Accessed Feb 09 2021.

<https://ir.bookingholdings.com/static-files/92c3d5b6-8f42-4686-afc1-f6bd61b94e06> (p. 4)

¹⁵⁴ *Ibid.*

OpenTable

OpenTable is offering online restaurant reservations, with significant portion of operations being done in the United States¹⁵⁵. They offer services to customers who are booking a table at a restaurant, and also provide reservation management services to restaurants directly¹⁵⁶.

¹⁵⁵ Booking Holdings. *Form 10-k 2019*, 2020. Web. Feb 26, 2020. Accessed Feb 09 2021.
<https://ir.bookingholdings.com/static-files/92c3d5b6-8f42-4686-afc1-f6bd61b94e06> (p. 4)

¹⁵⁶ *Ibid.*

Income Statement

Booking Holdings Inc.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions, except share and per share data)

| | Year Ended December 31, | | |
|---|-------------------------|-----------|-----------|
| | 2020 | 2019 | 2018 |
| Agency revenues | \$ 4,314 | \$ 10,117 | \$ 10,480 |
| Merchant revenues | 2,117 | 3,830 | 2,987 |
| Advertising and other revenues | 365 | 1,119 | 1,060 |
| Total revenues | 6,796 | 15,066 | 14,527 |
| Operating expenses: | | | |
| Marketing expenses | 2,179 | 4,967 | 4,956 |
| Sales and other expenses | 755 | 955 | 830 |
| Personnel, including stock-based compensation of \$233, \$308 and \$317, respectively | 1,944 | 2,248 | 2,042 |
| General and administrative | 581 | 797 | 699 |
| Information technology | 299 | 285 | 233 |
| Depreciation and amortization | 458 | 469 | 426 |
| Restructuring and other exit costs | 149 | — | — |
| Impairment of goodwill | 1,062 | — | — |
| Total operating expenses | 7,427 | 9,721 | 9,186 |
| Operating (loss) income | (631) | 5,345 | 5,341 |
| Interest expense | (356) | (266) | (269) |
| Other income (expense), net | 1,554 | 879 | (237) |
| Earnings before income taxes | 567 | 5,958 | 4,835 |
| Income tax expense | 508 | 1,093 | 837 |
| Net income | \$ 59 | \$ 4,865 | \$ 3,998 |
| Net income applicable to common stockholders per basic common share | \$ 1.45 | \$ 112.93 | \$ 84.26 |
| Weighted-average number of basic common shares outstanding (in 000's) | 40,974 | 43,082 | 47,446 |
| Net income applicable to common stockholders per diluted common share | \$ 1.44 | \$ 111.82 | \$ 83.26 |
| Weighted-average number of diluted common shares outstanding (in 000's) | 41,160 | 43,509 | 48,017 |

Booking Holdings Inc.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In millions)

| | Year Ended December 31, | | |
|--|-------------------------|----------|----------|
| | 2020 | 2019 | 2018 |
| Net income | \$ 59 | \$ 4,865 | \$ 3,998 |
| Other comprehensive income (loss), net of tax | | | |
| Foreign currency translation adjustments, net of tax | 50 | (10) | (114) |
| Net unrealized gains (losses) on available-for-sale securities, net of tax | 23 | 135 | (199) |
| Total other comprehensive income (loss), net of tax | 73 | 125 | (313) |
| Comprehensive income | \$ 132 | \$ 4,990 | \$ 3,685 |

Figure 34. Table showing consolidated statements of operations and consolidated statements of comprehensive income.

Source: Booking Holdings 10-K form 2019, 2020.

Balance Sheet

Booking Holdings Inc.
CONSOLIDATED BALANCE SHEETS
(In millions, except share and per share data)

| | December 31, | |
|--|------------------|------------------|
| | 2020 | 2019 |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 10,562 | \$ 6,312 |
| Short-term investments (Available-for-sale debt securities: Amortized cost of \$500 and \$998, respectively) | 501 | 998 |
| Accounts receivable, net (Allowance for expected credit losses of \$166 and \$49, respectively) | 529 | 1,680 |
| Prepaid expenses, net (Allowance for expected credit losses of \$22 and \$6, respectively) | 337 | 479 |
| Other current assets | 277 | 364 |
| Total current assets | 12,206 | 9,833 |
| Property and equipment, net | 756 | 738 |
| Operating lease assets | 529 | 620 |
| Intangible assets, net | 1,812 | 1,954 |
| Goodwill | 1,895 | 2,913 |
| Long-term investments (Includes available-for-sale debt securities: Amortized cost of \$225 and \$2,192, respectively) | 3,759 | 4,477 |
| Other assets, net (Allowance for expected credit losses of \$33 at December 31, 2020) | 917 | 867 |
| Total assets | <u>\$ 21,874</u> | <u>\$ 21,402</u> |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable | \$ 735 | \$ 1,239 |
| Accrued expenses and other current liabilities | 1,382 | 1,578 |
| Deferred merchant bookings | 323 | 1,561 |
| Convertible debt | 985 | 988 |
| Total current liabilities | 3,425 | 5,366 |
| Deferred income taxes | 1,127 | 876 |
| Operating lease liabilities | 366 | 462 |
| Long-term U.S. transition tax liability | 923 | 1,021 |
| Other long-term liabilities | 111 | 104 |
| Long-term debt | 11,029 | 7,640 |
| Total liabilities | 16,981 | 15,469 |
| Commitments and contingencies (see Note 16) | | |
| Stockholders' equity: | | |
| Common stock, \$0.008 par value, Authorized shares: 1,000,000,000 Issued shares: 63,406,451 and 63,179,471, respectively | — | — |
| Treasury stock, 22,446,897 and 21,762,070 shares, respectively | (24,128) | (22,864) |
| Additional paid-in capital | 5,851 | 5,756 |
| Retained earnings | 23,288 | 23,232 |
| Accumulated other comprehensive loss | (118) | (191) |
| Total stockholders' equity | 4,893 | 5,933 |
| Total liabilities and stockholders' equity | <u>\$ 21,874</u> | <u>\$ 21,402</u> |

Figure 35. Table showing consolidated balance sheets. Source: Booking Holdings 10-K form 2019, 2020.

Cash Flow Statement

Booking Holdings Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)

| | Year Ended December 31, | | |
|---|-------------------------|----------|----------|
| | 2020 | 2019 | 2018 |
| OPERATING ACTIVITIES: | | | |
| Net income | \$ 59 | \$ 4,865 | \$ 3,998 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | |
| Depreciation and amortization | 458 | 469 | 426 |
| Provision for expected credit losses and chargebacks | 319 | 138 | 163 |
| Deferred income tax expense (benefit) | 213 | 122 | (150) |
| Net (gains) losses on marketable equity securities | (1,811) | (745) | 367 |
| Stock-based compensation expense and other stock-based payments | 255 | 325 | 331 |
| Amortization of debt discount and debt issuance costs | 64 | 58 | 59 |
| Operating lease amortization | 184 | 172 | — |
| Unrealized foreign currency transaction losses (gains) on Euro-denominated debt | 200 | (7) | — |
| Impairment of goodwill | 1,062 | — | — |
| Impairment of investment | 100 | — | — |
| Other | 2 | 9 | 19 |
| Changes in assets and liabilities, net of effects of acquisitions: | | | |
| Accounts receivable | 891 | (323) | (319) |
| Prepaid expenses and other current assets | 161 | (263) | (201) |
| Deferred merchant bookings and other current liabilities | (2,266) | 480 | 635 |
| Long-term assets and liabilities | 194 | (435) | 10 |
| Net cash provided by operating activities | 85 | 4,865 | 5,338 |
| INVESTING ACTIVITIES: | | | |
| Purchase of investments | (74) | (672) | (2,686) |
| Proceeds from sale and maturity of investments | 2,997 | 8,099 | 5,616 |
| Additions to property and equipment | (286) | (368) | (442) |
| Acquisitions and other investments, net of cash acquired | — | (9) | (273) |
| Net cash provided by investing activities | 2,637 | 7,050 | 2,215 |
| FINANCING ACTIVITIES: | | | |
| Proceeds from revolving credit facility and short-term borrowings | — | 400 | 25 |
| Repayments of revolving credit facility and short-term borrowings | — | (425) | — |
| Proceeds from the issuance of long-term debt | 4,108 | — | — |
| Payments for conversion of debt | (1,244) | — | (1,487) |
| Payments for repurchase of common stock | (1,303) | (8,187) | (5,971) |
| Other financing activities | (33) | (8) | 2 |
| Net cash provided by (used in) financing activities | 1,528 | (8,220) | (7,431) |
| Effect of exchange rate changes on cash and cash equivalents and restricted cash and cash equivalents | — | (8) | (40) |
| Net increase in cash and cash equivalents and restricted cash and cash equivalents | 4,250 | 3,687 | 82 |
| Total cash and cash equivalents and restricted cash and cash equivalents, beginning of period | 6,332 | 2,645 | 2,563 |
| Total cash and cash equivalents and restricted cash and cash equivalents, end of period | \$ 10,582 | \$ 6,332 | \$ 2,645 |
| SUPPLEMENTAL CASH FLOW INFORMATION: | | | |
| Cash paid during the period for income taxes (see Note 15) | \$ 319 | \$ 1,074 | \$ 1,169 |
| Cash paid during the period for interest | \$ 278 | \$ 221 | \$ 219 |
| Non-cash operating and financing activity for an acquisition (see Note 19) | \$ — | \$ — | \$ 51 |
| Non-cash investing and financing activity for an acquisition (see Note 19) | \$ — | \$ — | \$ 59 |

Figure 36. Table showing consolidated statements of cash flows. **Source:** Booking Holdings 10-K form 2019, 2020.

36. Works Cited

- 01) Moise, Imani. "Priceline Group Rebrands to Booking Holdings." *The Wall Street Journal*, Dow Jones & Company, 21 Feb. 2018, www.wsj.com/articles/priceline-group-rebrands-to-booking-holdings-1519226212.
- 02) Duff, Greg. "Online Travel Update: Kyte Is Featured in PhocusWire's Hot Travel Startups for 2021; Booking Holdings Discusses Pressures Predicament of the Hotel Industry; Airbnb's IPO Upholds Its Status as a Global Distribution Powerhouse." *JD Supra*, Foster Garvey PC, 25 Nov. 2020, www.jdsupra.com/legalnews/online-travelupdate-kyte-is-featured-84777/.
- 03) Booking Holdings Inc. Form 10-k 2019, 2020. Web. Feb 26, 2020. Accessed Feb 09, 2021. <https://ir.bookingholdings.com/static-files/92c3d5b6-8f42-4686-afc1-f6bd61b94e06>. (p. 37)
- 04) Ibid.
- 05) Schaal, Dennis. "Booking Holdings Admits to Having Critical Failures Even Before the Pandemic." *Skift*, 26 Apr. 2020, skift.com/2020/04/25/booking-holdings-admits-to-having-critical-failures-even-before-the-pandemic/.
- 06) Booking Holdings Inc. Form 10-k 2020, 2021. Web. Feb 24, 2021. Accessed Feb 28, 2021. <https://ir.bookingholdings.com/index.php/static-files/1bef31b8-a49d-4aed-9a20-0b02e5254007> (pp.56-57)
- 07) Booking Holdings Inc. Form 10-k 2020, 2021. Web. Feb 24, 2021. Accessed Feb 28, 2021. <https://ir.bookingholdings.com/index.php/static-files/1bef31b8-a49d-4aed-9a20-0b02e5254007> (pp.56-57)
- 08) Pinar, Musa & Trapp, Paul & Girard, Tulay & Boyt, Thomas. (2011). Utilizing the brand ecosystem framework in designing branding strategies for higher education. *International Journal of Educational Management*. 25. 724-739. 10.1108/09513541111172126. (p. 729)
- 09) Sorrells, Mitra. "Booking Holdings Integrates Brands, Develops Payment Capabilities in Quest for 'Connected Trip.'" *PhocusWire*, PhocusWire, 7 Aug. 2019, www.phocuswire.com/Booking-Holdings-q2-2019-earnings.
- 10) Schaal, Dennis. "Booking Holdings Admits to Having Critical Failures Even Before the Pandemic." *Skift*, 26 Apr. 2020, skift.com/2020/04/25/booking-holdings-admits-to-having-critical-failures-even-before-the-pandemic/.
- 11) Moise, Imani. "Priceline Group Rebrands to Booking Holdings." *The Wall Street Journal*, Dow Jones & Company, 21 Feb. 2018, www.wsj.com/articles/priceline-group-rebrands-to-booking-holdings-1519226212.
- 12) Teresa Borges-Tiago, Maria, et al. "Differences between TripAdvisor and Booking.Com in Branding Co-Creation." *Journal of Business Research*, vol. 123, Feb. 2021, p. 382. *EBSCOhost*, doi:10.1016/j.jbusres.2020.09.050.

- 13) da Silva e Cruz, Raquel, and Alzira Maria da Ascensão Marques. "Determinants OF LOYALTY TOWARD Booking.Com BRAND." *International Journal of Management Science & Technology Information*, no. 11, Jan. 2014, p. 117. *EBSCOhost*, search.ebscohost.com/login.aspx?direct=true&db=bsu&AN=113484045&site=ehost-live.
- 14) Sorrells, Mitra. "Booking Holdings Sees Revenue Drop 55% in 2020." *PhocusWire*, PhocusWire, 25 Feb. 2021, www.phocuswire.com/booking-holdings-focuses-on-payment-platform-connected-trip-and-us-growth-as-q4-revenue-bookings-down-60-percent.
- 15) Ibid.
- 16) Atome. "Agoda Launches Regional Instalment Payment Option with Atome." *Business Insider*, Business Insider, 20 Dec. 2020, markets.businessinsider.com/news/stocks/agoda-launches-regional-instalment-payment-option-with-atome-1029908909.
- 17) Ibid.
- 18) Booking Holdings Inc. Form 10-k 2020, 2021. Web. Feb 24, 2021. Accessed Feb 28, 2021. <https://ir.bookingholdings.com/index.php/static-files/1bef31b8-a49d-4aed-9a20-0b02e5254007> (p. 34)
- 19) Engels, Gino. "The Connected Trip: A Sensible but Perhaps Perilous Obsession." *Hospitality Technology*, 1 Mar. 2020, hospitalitytech.com/connected-trip-sensible-perhaps-perilous-obsession.
- 20) Ibid.
- 21) Schaal, Dennis. "Booking Holdings Admits to Having Critical Failures Even Before the Pandemic." *Skift*, 26 Apr. 2020, skift.com/2020/04/25/booking-holdings-admits-to-having-critical-failures-even-before-the-pandemic/.
- 22) Sanchez, Luis. "Why Booking Holdings Is a Better Investment Than Expedia." *The Motley Fool*, The Motley Fool, 19 Dec. 2019, www.fool.com/investing/2019/12/19/booking-holdings-better-investment-than-expedia.aspx.
- 23) CFA, Luis Sanchez. "Why Booking Holdings Is Investing in Asian Tech Companies." *The Motley Fool*, The Motley Fool, 18 Dec. 2019, www.fool.com/investing/2019/12/18/why-booking-is-investing-in-asian-tech-companies.aspx.
- 24) Ibid.
- 25) Sorrells, Mitra. "Booking Holdings Sees Revenue Drop 55% in 2020." *PhocusWire*, PhocusWire, 25 Feb. 2021, www.phocuswire.com/booking-holdings-focuses-on-payment-platform-connected-trip-and-us-growth-as-q4-revenue-bookings-down-60-percent.

payment-platform-connected-trip-and-us-growth-as-q4-revenue-bookings-down-60-percent.

- 26) Holdings, Booking Inc. “Factsheet.” *Booking Holdings*, 1 Mar. 2021, www.bookingholdings.com/about/factsheet/#:~:text=The%20mission%20of%20Booking%20Holdings,everyone%20to%20experience%20the%20world.&text=Booking%20Holdings%20is%20the%20world%20leader%20in%20online%20travel%20%26%20related%20services.
- 27) BLOOMBERG. “Google's Embrace of Search Ads Crushes Online Travel Agents.” *Los Angeles Times*, Los Angeles Times, 8 Nov. 2019, www.latimes.com/business/story/2019-11-08/googles-embrace-of-search-ads-crushesonline-travel-agents.
- 28) “Booking.Com: The Largest Selection of Hotels, Homes, and Vacation Rentals.” *Booking.Com*, 2021, www.booking.com/content/about.html?aid=356980&label=gog235jc-1BCBQoggJCBWFib3V0SDNYA2g6iAEBmAEFuAEHyAEM2AEB6AEBiAIBqAIDuAL29siCBsACAdICJDZkNWY4MzcxLWRiOGItNDFjMS1hMzY0LWIwNTkzZDQ1NmFINtgCBeACAQ&sid=9e9b74a8b9acbfd59383e0e51f274afe&tmpl=docs%2Fabout&lang=en-us&soz=1&lang_click=other;cdl=cs;lang_changed=1.
- 29) Booking Holdings Inc. Form 10-k 2020, 2021. Web. Feb 24, 2021. Accessed Feb 28 2021. <https://ir.bookingholdings.com/index.php/static-files/1bef31b8-a49d-4aed-9a20-0b02e5254007> (p. 82)
- 30) Johnson, Jeffrey. Columbia, 2019, pp. 1–10, “Booking Holdings Inc. (Nasdaq: BKNG)”, <https://www8.gsb.columbia.edu/valueinvesting/sites/valueinvesting/files/pictures/BKNG.pdf>
- 31) PR Newswire. “Booking.Com and Google Nest Announce Partnership to Enhance Trip Experience for Travelers.” PR Newswire US, 19 Dec. 2019. EBSCOhost, search.ebscohost.com/login.aspx?direct=true&db=bwh&AN=201912191639PR.NEWS.USPR.LN73637&lang=cs&site=ehost-live.
- 32) “MarketLine Company Profile: Booking Holdings Inc.” *Booking Holdings Inc MarketLine Company Profile*, 25 June 2020, pp. 1–32. EBSCOhost, search.ebscohost.com/login.aspx?direct=true&db=bsu&AN=144657132&lang=cs&site=ehost-live
- 33) Journal, Wall Street. “BKNG | Booking Holdings Inc. Annual Balance Sheet - WSJ.” *The Wall Street Journal*, Dow Jones & Company, 2020, www.wsj.com/market-data/quotes/BKNG/financials/annual/balance-sheet.
- 34) Rudy, Thomas. “3 Largest Public Travel Companies By Market Share.” *Yahoo! Finance*, Yahoo!, 16 Aug. 2018, finance.yahoo.com/news/3-largest-public-travel-companies-152052328.html.

- 35) Booking Holdings Inc. Form 10-k 2020, 2021. Web. Feb 24, 2021. Accessed Feb 28, 2021. <https://ir.bookingholdings.com/index.php/static-files/1bef31b8-a49d-4aed-9a20-0b02e5254007>
- 36) Booking Holdings. Form 10-k 2020, 2021. Web. Feb 24, 2021. Accessed Feb 28 2021. <https://ir.bookingholdings.com/index.php/static-files/1bef31b8-a49d-4aed-9a20-0b02e5254007> (p. 82)
- 37) Sorrells, Mitra. "Booking Holdings Sees Revenue Drop 55% in 2020." *PhocusWire*, PhocusWire, 25 Feb. 2021, www.phocuswire.com/booking-holdings-focuses-on-payment-platform-connected-trip-and-us-growth-as-q4-revenue-bookings-down-60-percent#:~:text=Gross%20travel%20bookings%20for%20the,decrease%20from%20the%20prior%20year.
- 38) Carville, Olivia. *Bloomberg.com*, Bloomberg, 4 Aug. 2020, www.bloomberg.com/news/articles/2020-08-04/booking-to-cut-thousands-of-workers-after-covid-19-travel-hit.
- 39) Ibid.
- 40) Sorrells, Mitra. "Booking Holdings Sees Revenue Drop 55% in 2020." *PhocusWire*, PhocusWire, 25 Feb. 2021, www.phocuswire.com/booking-holdings-focuses-on-payment-platform-connected-trip-and-us-growth-as-q4-revenue-bookings-down-60-percent#:~:text=Gross%20travel%20bookings%20for%20the,decrease%20from%20the%20prior%20year.
- 41) Wall St, Simply. "Booking Holdings (NasdaqGS:BKNG) - Share Price, News & Analysis." *Simply Wall St*, 18 Mar. 2021, simplywall.st/stocks/us/retail/nasdaq-bkng/booking-holdings#future.
- 42) "Booking Holdings Inc Asset Turnover Ratio (BKNG), From Forth Quarter 2020 to Forth Quarter 2019 Current and Historic Results, Rankings and More - CSIMarket." CSI Market, 2021, csimarket.com/stocks/singleEfficiencyat.php?code=BKNG.
- 43) Dybek, Martin. "Booking Holdings Inc. (NASDAQ:BKNG): Analysis of Liquidity Ratios." *Stock Analysis on Net*, Stock Analysis on Net, 25 Feb. 2021, www.stock-analysis-on.net/NASDAQ/Company/Booking-Holdings-Inc/Ratios/Liquidity.
- 44) Expedia Group, Inc. Form 10-k 2020, 2021. Web. Feb 12, 2021. Accessed Feb 28 2021. <https://d18rn0p25nwr6d.cloudfront.net/CIK-0001324424/36b7ba0a-d956-4897-ab8b-2b94e4591feb.pdf>
- 45) Wall St, Simply. "Can Booking Holdings Inc.'s (NASDAQ:BKNG) ROE Continue To Surpass The Industry Average?" *Simply Wall St News*, 11 Jan. 2020, simplywall.st/stocks/us/retail/nasdaq-bkng/booking-holdings/news/can-booking-holdings-inc-s-nasdaqbkng-roe-continue-to-surpass-the-industry-average-2.

- 46) Wall St, Simply. “Can Booking Holdings Inc.’s (NASDAQ:BKNG) ROE Continue To Surpass The Industry Average?” *Simply Wall St News*, 11 Jan. 2020, [simplywall.st/stocks/us/retail/nasdaq-bkng/booking-holdings/news/can-booking-holdings-inc-s-nasdaqbkng-roe-continue-to-surpass-the-industry-average-2](https://www.simplywall.st/stocks/us/retail/nasdaq-bkng/booking-holdings/news/can-booking-holdings-inc-s-nasdaqbkng-roe-continue-to-surpass-the-industry-average-2).
- 47) Simply Wall St. “Expedia Group (NasdaqGS:EXPE) - Share Price, News & Analysis.” *Simply Wall St*, 19 Mar. 2021, [simplywall.st/stocks/us/retail/nasdaq-expe/expedia-group#valuation](https://www.simplywall.st/stocks/us/retail/nasdaq-expe/expedia-group#valuation).
- 48) Ibid.
- 49) Expedia Group, Inc. Form 10-k 2020, 2021. Web. Feb 12, 2021. Accessed Feb 28 2021. <https://d18rn0p25nwr6d.cloudfront.net/CIK-0001324424/36b7ba0a-d956-4897-ab8b-2b94e4591feb.pdf>
- 50) Arnold, Josh. “Booking Holdings Is Perilously Overpriced (NASDAQ:BKNG).” *SeekingAlpha*, 20 Dec. 2020, seekingalpha.com/article/4395488-booking-holdings-is-perilously-overpriced.
- 51) Bloomberg. “Bloomberg.” *BKNG:USNASDAQ GS Booking Holdings Inc*, 18 Mar. 2021, www.bloomberg.com/quote/BKNG:US.
- 52) Wall St, Simply. “Booking Holdings (NasdaqGS:BKNG) - Share Price, News & Analysis.” *Simply Wall St*, 18 Mar. 2021, [simplywall.st/stocks/us/retail/nasdaq-bkng/booking-holdings#share-price-and-news](https://www.simplywall.st/stocks/us/retail/nasdaq-bkng/booking-holdings#share-price-and-news).
- 53) Team, Trefis. “Here's Why We Believe Booking Holdings Is Worth \$2,064 Per Share.” *Forbes*, Forbes Magazine, 29 Aug. 2018, www.forbes.com/sites/greatspeculations/2018/08/29/heres-why-we-believe-booking-holdings-is-worth-2064-per-share/?sh=1b01d3e12819.
- 54) Booking Holdings. Form 10-k 2020, 2021. Web. Feb 24, 2021. Accessed Feb 28 2021. <https://ir.bookingholdings.com/index.php/static-files/1bef31b8-a49d-4aed-9a20-0b02e5254007> (p. 1)
- 55) Expedia Group, Inc. Form 10-k 2020, 2021. Web. Feb 12, 2021. Accessed Feb 28 2021. <https://d18rn0p25nwr6d.cloudfront.net/CIK-0001324424/36b7ba0a-d956-4897-ab8b-2b94e4591feb.pdf> (p.1)
- 56) Sanchez CFA, Luis Sanchez. “Why Booking Holdings Is a Better Investment Than Expedia.” *The Motley Fool*, The Motley Fool, 19 Dec. 2019, www.fool.com/investing/2019/12/19/booking-holdings-better-investment-than-expedia.aspx#:~:text=The%20key%20difference%20between%20Booking,Holdings%20primarily%20operates%20in%20Europe.&text=Websites%20like%20Expedia.com%20can,price%20of%20a%20hotel%20accommodation.
- 57) Sanchez, Luis. “Why Booking Holdings Is a Better Investment Than Expedia.” *Nasdaq*, 19 Dec. 2019, www.nasdaq.com/articles/why-booking-holdings-is-a-better-investment-than-expedia-2019-12-19.

- 58) Cfa, Luis Sanchez. "Why Booking Holdings Is a Better Investment Than Expedia." *The Motley Fool*, 19 Dec. 2019, www.fool.com/investing/2019/12/19/booking-holdings-better-investment-than-expedia.aspx#:~:text=The%20key%20difference%20between%20Booking,Holdings%20primarily%20operates%20in%20Europe.&text=Websites%20like%20Expedia.com%20can,price%20of%20a%20hotel%20accommodation.
- 59) Wall St, Simply. "Booking Holdings (NasdaqGS:BKNG) - Share Price, News & Analysis." *Simply Wall St*, 18 Mar. 2021, <https://simplywall.st/stocks/us/retail/nasdaq-bkng/booking-holdings#future>
- 60) Wall St, Simply. "Can Booking Holdings Inc.'s (NASDAQ:BKNG) ROE Continue To Surpass The Industry Average?" *Simply Wall St News*, 11 Jan. 2020, simplywall.st/stocks/us/retail/nasdaq-bkng/booking-holdings/news/can-booking-holdings-inc-s-nasdaqbkng-roe-continue-to-surpass-the-industry-average-2.
- 61) Talty, Alexandra. "Kayak Launches First-Ever Hotel, CEO Says More To Come." *Forbes*, Forbes Magazine, 9 Mar. 2021, www.forbes.com/sites/alexandratalty/2021/03/09/kayak-launches-first-ever-hotel-ceo-says-more-to-come/?sh=28153a5f4f88.
- 62) Ibid.
- 63) Markets, Research and. "Global \$595.8 Billion Online Travel Agent Market Analysis, Opportunities and Strategies 2015-2019 & 2020-2030." *GlobeNewswire News Room*, "GlobeNewswire", 18 Nov. 2020, [www.globenewswire.com/news-release/2020/11/18/2128883/0/en/Global-595-8-Billion-Online-Travel-Agent-Market-Analysis-Opportunities-and-Strategies-2015-2019-2020-2030.html#:~:text=The%20global%20online%20travel%20agent,\)%20of%207.9%25%20since%202015.&text=The%20market%20is%20expected%20to,reach%20%24902.2%20billion%20in%202023](http://www.globenewswire.com/news-release/2020/11/18/2128883/0/en/Global-595-8-Billion-Online-Travel-Agent-Market-Analysis-Opportunities-and-Strategies-2015-2019-2020-2030.html#:~:text=The%20global%20online%20travel%20agent,)%20of%207.9%25%20since%202015.&text=The%20market%20is%20expected%20to,reach%20%24902.2%20billion%20in%202023).
- 64) Markets, Research and. "Global \$595.8 Billion Online Travel Agent Market Analysis, Opportunities and Strategies 2015-2019 & 2020-2030." *GlobeNewswire News Room*, "GlobeNewswire", 18 Nov. 2020, [www.globenewswire.com/news-release/2020/11/18/2128883/0/en/Global-595-8-Billion-Online-Travel-Agent-Market-Analysis-Opportunities-and-Strategies-2015-2019-2020-2030.html#:~:text=The%20global%20online%20travel%20agent,\)%20of%207.9%25%20since%202015.&text=The%20market%20is%20expected%20to,reach%20%24902.2%20billion%20in%202023](http://www.globenewswire.com/news-release/2020/11/18/2128883/0/en/Global-595-8-Billion-Online-Travel-Agent-Market-Analysis-Opportunities-and-Strategies-2015-2019-2020-2030.html#:~:text=The%20global%20online%20travel%20agent,)%20of%207.9%25%20since%202015.&text=The%20market%20is%20expected%20to,reach%20%24902.2%20billion%20in%202023).
- 65) Ibid.
- 66) Markets, Research and. "Global \$595.8 Billion Online Travel Agent Market Analysis, Opportunities and Strategies 2015-2019 & 2020-2030." *GlobeNewswire News Room*, "GlobeNewswire", 18 Nov. 2020, [www.globenewswire.com/news-release/2020/11/18/2128883/0/en/Global-595-8-Billion-Online-Travel-Agent-Market-Analysis-Opportunities-and-Strategies-2015-2019-2020-2030.html#:~:text=The%20global%20online%20travel%20agent,\)%20of%207.9%25%20since%202015.&text=The%20market%20is%20expected%20to,reach%20%24902.2%20billion%20in%202023](http://www.globenewswire.com/news-release/2020/11/18/2128883/0/en/Global-595-8-Billion-Online-Travel-Agent-Market-Analysis-Opportunities-and-Strategies-2015-2019-2020-2030.html#:~:text=The%20global%20online%20travel%20agent,)%20of%207.9%25%20since%202015.&text=The%20market%20is%20expected%20to,reach%20%24902.2%20billion%20in%202023).

%20since%202015.&text=The%20market%20is%20expected%20to,reach%20%24902.2%20billion%20in%202023.

67) Ibid.

68) Curley, Andrew, et al. "For Corporate Travel, a Long Recovery Ahead." *McKinsey & Company*, 5 Nov. 2020, www.mckinsey.com/industries/travel-logistics-and-infrastructure/our-insights/for-corporate-travel-a-long-recovery-ahead#.

69) Ibid.

70) Curley, Andrew, et al. "For Corporate Travel, a Long Recovery Ahead." *McKinsey & Company*, 5 Nov. 2020, www.mckinsey.com/industries/travel-logistics-and-infrastructure/our-insights/for-corporate-travel-a-long-recovery-ahead#.

71) Markets, Research And. "Worldwide Leisure Travel Industry to 2027 - Unique Destinations Gaining High Traction Among Tourists." *GlobeNewswire News Room*, 20 Jan. 2021, www.globenewswire.com/news-release/2021/01/20/2161251/0/en/Worldwide-Leisure-Travel-Industry-to-2027-Unique-Destinations-Gaining-High-Traction-Among-Tourists.html.

72) Ibid.

73) Markets, Research And. "Worldwide Leisure Travel Industry to 2027 - Unique Destinations Gaining High Traction Among Tourists." *GlobeNewswire News Room*, 20 Jan. 2021, www.globenewswire.com/news-release/2021/01/20/2161251/0/en/Worldwide-Leisure-Travel-Industry-to-2027-Unique-Destinations-Gaining-High-Traction-Among-Tourists.html.

74) O'Neill, Sean. "Booking Holdings Says Leisure Hotels Are Able to Hold Rates Without Having to Offer Deep Discounts." *Skift*, 7 Aug. 2020, skift.com/2020/08/06/booking-holdings-says-leisure-hotels-are-able-to-hold-rates-without-having-to-offer-deep-discounts.

75) Ibid.

76) Duff, Greg. "Online Travel Update: Kyte Is Featured in PhocusWire's Hot Travel Startups for 2021; Booking Holdings Discusses Pressures Predicament of the Hotel Industry; Airbnb's IPO Upholds Its Status as a Global Distribution Powerhouse." JD Supra, Foster Garvey PC, 25 Nov. 2020, www.jdsupra.com/legalnews/online-travelupdate-kyte-is-featured-84777/

77) Markets, Research and. "Global \$595.8 Billion Online Travel Agent Market Analysis, Opportunities and Strategies 2015-2019 & 2020-2030." *GlobeNewswire News Room*, "GlobeNewswire", 18 Nov. 2020, [www.globenewswire.com/news-release/2020/11/18/2128883/0/en/Global-595-8-Billion-Online-Travel-Agent-Market-Analysis-Opportunities-and-Strategies-2015-2019-2020-2030.html#:~:text=The%20global%20online%20travel%20agent,\)%20of%207.9%25](http://www.globenewswire.com/news-release/2020/11/18/2128883/0/en/Global-595-8-Billion-Online-Travel-Agent-Market-Analysis-Opportunities-and-Strategies-2015-2019-2020-2030.html#:~:text=The%20global%20online%20travel%20agent,)%20of%207.9%25)

%20since%202015.&text=The%20market%20is%20expected%20to,reach%20%24902.2%20billion%20in%202023.

- 78) Markets, Research and. "Global \$595.8 Billion Online Travel Agent Market Analysis, Opportunities and Strategies 2015-2019 & 2020-2030." *GlobeNewswire News Room*, "GlobeNewswire", 18 Nov. 2020, www.globenewswire.com/news-release/2020/11/18/2128883/0/en/Global-595-8-Billion-Online-Travel-Agent-Market-Analysis-Opportunities-and-Strategies-2015-2019-2020-2030.html#:~:text=The%20global%20online%20travel%20agent,%20of%207.9%25%20since%202015.&text=The%20market%20is%20expected%20to,reach%20%24902.2%20billion%20in%202023.
- 79) Brown, Robert. "Covid-19 and Its Impact on the Customer Journey for Otas." *Phocuswire*, 18 Nov. 2020, www.phocuswire.com/covid-19-and-its-impact-on-the-customer-journey-for-otas.
- 80) Booking Holdings Inc. Form 10-k 2020, 2021. Web. Feb 24, 2021. Accessed Feb 28 2021. <https://ir.bookingholdings.com/index.php/static-files/1bef31b8-a49d-4aed-9a20-0b02e5254007> (p. 13)
- 81) Booking Holdings Inc. Form 10-k 2020, 2021. Web. Feb 24, 2021. Accessed Feb 28 2021. <https://ir.bookingholdings.com/index.php/static-files/1bef31b8-a49d-4aed-9a20-0b02e5254007> (pp. 13-14)
- 82) Booking Holdings Inc. Form 10-k 2020, 2021. Web. Feb 24, 2021. Accessed Feb 28 2021. <https://ir.bookingholdings.com/index.php/static-files/1bef31b8-a49d-4aed-9a20-0b02e5254007> (p. 35)
- 83) Booking Holdings Inc. Form 10-k 2020, 2021. Web. Feb 24, 2021. Accessed Feb 28 2021. <https://ir.bookingholdings.com/index.php/static-files/1bef31b8-a49d-4aed-9a20-0b02e5254007> (p.13)
- 84) Booking Holdings Inc. Form 10-k 2020, 2021. Web. Feb 24, 2021. Accessed Feb 28 2021. <https://ir.bookingholdings.com/index.php/static-files/1bef31b8-a49d-4aed-9a20-0b02e5254007> (p. 3)
- 85) Ibid.
- 86) Booking Holdings Inc. Form 10-k 2020, 2021. Web. Feb 24, 2021. Accessed Feb 28 2021. <https://ir.bookingholdings.com/index.php/static-files/1bef31b8-a49d-4aed-9a20-0b02e5254007> (p. 28)
- 87) Booking Holdings Inc. Form 10-k 2020, 2021. Web. Feb 24, 2021. Accessed Feb 28 2021. <https://ir.bookingholdings.com/index.php/static-files/1bef31b8-a49d-4aed-9a20-0b02e5254007> (p. 28)
- 88) Ibid.
- 89) Sanchez, Luis. "Why Booking Holdings Is a Better Investment Than Expedia." *The Motley Fool*, The Motley Fool, 19 Dec. 2019,

www.fool.com/investing/2019/12/19/booking-holdings-better-investment-than-expedia.aspx.

90) Ibid.

91) Sanchez, Luis. "Why Booking Holdings Is a Better Investment Than Expedia." *The Motley Fool*, The Motley Fool, 19 Dec. 2019, www.fool.com/investing/2019/12/19/booking-holdings-better-investment-than-expedia.aspx.

92) Ibid.

93) Expedia Group, Inc. Form 10-k 2020, 2021. Web. Feb 12, 2021. Accessed Feb 28 2021. <https://d18rn0p25nwr6d.cloudfront.net/CIK-0001324424/36b7ba0a-d956-4897-ab8b-2b94e4591feb.pdf> (p. 30)

94) Booking Holdings Inc. Form 10-k 2020, 2021. Web. Feb 24, 2021. Accessed Feb 28 2021. <https://ir.bookingholdings.com/index.php/static-files/1bef31b8-a49d-4aed-9a20-0b02e5254007> (p. 82)

95) Cfa, Luis Sanchez. "Why Booking Holdings Is a Better Investment Than Expedia." *The Motley Fool*, 19 Dec. 2019, www.fool.com/investing/2019/12/19/booking-holdings-better-investment-than-expedia.aspx#:~:text=The%20key%20difference%20between%20Booking,Holdings%20primarily%20operates%20in%20Europe.&text=Websites%20like%20Expedia.com%20can,price%20of%20a%20hotel%20accommodation

96) TripAdvisor, Inc. Form 10-k 2020, 202. Web. Feb 19, 2021. Accessed Feb 28 2021. <https://ir.tripadvisor.com/static-files/c7f9a2d6-a737-4971-8d27-851a69c20d9b> (p. 3)

97) Ibid.

98) TripAdvisor, Inc. Form 10-k 2020, 202. Web. Feb 19, 2021. Accessed Feb 28 2021. <https://ir.tripadvisor.com/static-files/c7f9a2d6-a737-4971-8d27-851a69c20d9b> (p. 57)

99) Ponciano, Jonathan. "Airbnb Stock Down 25% Since IPO, Three Billionaire Cofounders Lose \$5 Billion in 3 Trading Days." *Forbes*, 15 Dec. 2020, www.forbes.com/sites/jonathanponciano/2020/12/15/airbnb-down-25-since-ipo-three-billionaire-cofounders-lose-5-billion-in-3-trading-days/?sh=3d27c9822065.

100) Yahoo Finance. "Airbnb, Inc (ABNB)." *Yahoo Finance*, 2021, finance.yahoo.com/quote/ABNB?p=ABNB.

101) Yahoo Finance. "Booking Holdings Inc. (BKNG)." *Yahoo Finance*, 2021, <https://finance.yahoo.com/quote/BKNG?p=BKNG&.tsrc=fin-srch>

102) Bowman, Jeremy. "Why Airbnb Can Outrun Booking Holdings." *The Motley Fool*, 23 Dec. 2020, www.fool.com/investing/2020/12/23/why-airbnb-can-outrun-booking-holdings.

- 103) Trip.com Group Limited. "Corporate Profile." *Trip.Com Group Limited*, 2021, investors.trip.com/homeprofile.
- 104) "MarketLine Company Profile: Booking Holdings Inc." Booking Holdings Inc MarketLine Company Profile, 25 June 2020, pp. 1–32. EBSCOhost
- 105) Kelleher, Suzanne Rowan. "Google and Amazon's Disruption of the Online Travel Industry Is Looking Inevitable." *Forbes*, 16 Dec. 2020, www.forbes.com/sites/suzannerowankelleher/2019/06/30/google-and-amazons-disruption-of-the-online-travel-industry-is-looking-inevitable/?sh=1b1798008e0f.
- 106) Ibid.
- 107) Kelleher, Suzanne Rowan. "Google and Amazon's Disruption of the Online Travel Industry Is Looking Inevitable." *Forbes*, 16 Dec. 2020, www.forbes.com/sites/suzannerowankelleher/2019/06/30/google-and-amazons-disruption-of-the-online-travel-industry-is-looking-inevitable/?sh=1b1798008e0f.
- 108) McBride, Stephen. "How Google Has Become the Biggest Travel Company." *Forbes*, 6 Dec. 2019, www.forbes.com/sites/stephenmcbride1/2019/12/06/how-google-has-become-the-biggest-travel-company/?sh=4c97b7674e09.
- 109) "Google and Amazon's Disruption of the Online Travel Industry Is Looking Inevitable." *Forbes*, 16 Dec. 2020, www.forbes.com/sites/suzannerowankelleher/2019/06/30/google-and-amazons-disruption-of-the-online-travel-industry-is-looking-inevitable/?sh=1b1798008e0f.
- 110) Ibid.
- 111) "Google and Amazon's Disruption of the Online Travel Industry Is Looking Inevitable." *Forbes*, 16 Dec. 2020, www.forbes.com/sites/suzannerowankelleher/2019/06/30/google-and-amazons-disruption-of-the-online-travel-industry-is-looking-inevitable/?sh=1b1798008e0f.
- 112) Booking Holdings. Form 10-k 2020, 2021. Web. Feb 24, 2021. Accessed Feb 28 2021. <https://ir.bookingholdings.com/index.php/static-files/1bef31b8-a49d-4aed-9a20-0b02e5254007> (p. 5)
- 113) Prieto, Mauricio. "The State of Online Travel Agencies- 2019." Medium, Travel Tech Essentialist, 26 July 2020, medium.com/traveltechmedia/the-state-of-online-travel-agencies-2019-8b188e8661ac.
- 114) Trip.com. "Trip.com Partners with Global Airlines to Maximize Customer Benefits and Propel Travel Recovery." GlobeNewswire News Room, "GlobeNewswire", 9 Nov. 2020, www.globenewswire.com/newsrelease/2020/11/09/2122440/0/en/Trip-com-partners-with-global-airlines-to-maximize-customer-benefits-andpropel-travel-recovery.html.

- 115) Johnson, Joseph. "Google - Statistics & Facts." *Statista*, 25 Feb. 2021, www.statista.com/topics/1001/google.
- 116) Johnson, Jeffrey. Columbia, 2019, pp. 1–10, "Booking Holdings Inc. (Nasdaq: BKNG)", <https://www8.gsb.columbia.edu/valueinvesting/sites/valueinvesting/files/pictures/BKNG.pdf>
- 117) Lv, Xingyang, et al. "Understanding the Emergence and Development of Online Travel Agencies: A Dynamic Evaluation and Simulation Approach." *Internet Research*, vol. 30, no. 6, Nov. 2020, pp. 1783–1810. EBSCOhost, doi:10.1108/INTR-11-2019-0464.
- 118) Markets, Research and. "Insights on the Worldwide Online Travel Agent Industry to 2030 - Benchmark Performance Against Key Competitors." *GlobeNewswire News Room*, "GlobeNewswire", 4 June 2020, www.globenewswire.com/news-release/2020/06/04/2043667/0/en/Insights-on-the-Worldwide-Online-Travel-Agent-Industry-to-2030-Benchmark-Performance-Against-Key-Competitors.html.
- 119) Gacinga, Joseph. "Fierce Rivalry in the Online Travel Industry Is Playing Into Google's Hands." *The Motley Fool*, The Motley Fool, 28 Mar. 2014, www.fool.com/investing/general/2014/03/27/fierce-rivalry-in-the-online-travelindustry-playi.aspx.
- 120) Tonkin, Chloe. "The Duke of Sussex Launches New Global Sustainable Travel Initiative 'Travalyst' with Booking.Com and Other Leading Brands." *Https://News.Booking.Com/*, 2019, news.booking.com/the-duke-of-sussex--launches-new-global-sustainable-travel-initiative-travalyst-with-bookingcom-and-other-leading-brands.
- 121) Booking Holdings. Form 10-k 2020, 2021. Web. Feb 24, 2021. Accessed Feb 28 2021. <https://ir.bookingholdings.com/index.php/static-files/1bef31b8-a49d-4aed-9a20-0b02e5254007> (p. 45)
- 122) Johnson, Jeffrey. Columbia, 2019, pp. 1–10, "Booking Holdings Inc. (Nasdaq: BKNG)", <https://www8.gsb.columbia.edu/valueinvesting/sites/valueinvesting/files/pictures/BKNG.pdf>
- 123) Ibid.
- 124) Johnson, Jeffrey. Columbia, 2019, pp. 1–10, "Booking Holdings Inc. (Nasdaq: BKNG)", <https://www8.gsb.columbia.edu/valueinvesting/sites/valueinvesting/files/pictures/BKNG.pdf>
- 125) Rossolillo, Nicholas. "With Growth Slowing, Acquisitions Are Key to Booking Holdings' Future." *The Motley Fool*, 18 May 2019, www.fool.com/investing/2019/05/18/with-growth-slowing-acquisitions-are-key-to-bookin.aspx.

- 126) The Motley Fool. "Why Booking Holdings Is a Better Investment Than Expedia." *Nasdaq*, 19 Dec. 2019, www.nasdaq.com/articles/why-booking-holdings-is-a-better-investment-than-expedia-2019-12-19.
- 127) Booking.com. "Booking.Com: The Largest Selection of Hotels, Homes, and Vacation Rentals." *Booking.Com*, 20201, www.booking.com/content/about.html?aid=356980&label=gog235jc-1BCBQoggJCBWFib3V0SDNYA2g6iAEBmAEFuAEHyAEM2AEB6AEBiAIBqAIDuAL29siCBsACAdICJDZkNWY4MzcxLWRiOGItNDFjMS1hMzY0LWIwNTkzZDQ1NmFINtgCBeACAQ&sid=9e9b74a8b9acbdf59383e0e51f274afe&tmpl=docs%2Fabout&lang=en-us&soz=1&lang_click=other;cdl=cs;lang_changed=1.
- 128) Cain, Tyler. "Perfecting Private Accommodations: Airbnb Vs. Expedia." *Toptal Finance Blog*, 30 May 2019, www.toptal.com/finance/market-research-analysts/airbnb-vs-expedia#:~:text=Expedia%20and%20Airbnb%20Are%20the,1.8%2B%20million%20online%20bookable%20listings.
- 129) Johnson, Jeffrey. Columbia, 2019, pp. 1–10, "Booking Holdings Inc. (Nasdaq: BKNG)", <https://www8.gsb.columbia.edu/valueinvesting/sites/valueinvesting/files/pictures/BKNG.pdf>
- 130) Johnson, Jeffrey. Columbia, 2019, pp. 1–10, "Booking Holdings Inc. (Nasdaq: BKNG)", <https://www8.gsb.columbia.edu/valueinvesting/sites/valueinvesting/files/pictures/BKNG.pdf>
- 131) Schaal, Dennis. "Booking Holdings Admits to Having Critical Failures Even Before the Pandemic." *Skift*, 26 Apr. 2020, skift.com/2020/04/25/booking-holdings-admits-to-having-critical-failures-even-before-the-pandemic/.
- 132) Sharma, Asit. "Don't Ignore This Long-Term Risk to Booking Holdings' Business." *The Motley Fool*, *The Motley Fool*, 11 Nov. 2020, www.fool.com/investing/2020/11/10/dont-ignore-this-long-term-risk-to-booking-holding/.
- 133) Markets, Research and. "Global \$595.8 Billion Online Travel Agent Market Analysis, Opportunities and Strategies 2015-2019 & 2020-2030." *GlobeNewswire News Room*, "GlobeNewswire", 18 Nov. 2020, [www.globenewswire.com/news-release/2020/11/18/2128883/0/en/Global-595-8-Billion-Online-Travel-Agent-Market-Analysis-Opportunities-and-Strategies-2015-2019-2020-2030.html#:~:text=The%20global%20online%20travel%20agent,\)%20of%207.9%25%20since%202015.&text=The%20market%20is%20expected%20to,reach%20%24902.2%20billion%20in%202023](http://www.globenewswire.com/news-release/2020/11/18/2128883/0/en/Global-595-8-Billion-Online-Travel-Agent-Market-Analysis-Opportunities-and-Strategies-2015-2019-2020-2030.html#:~:text=The%20global%20online%20travel%20agent,)%20of%207.9%25%20since%202015.&text=The%20market%20is%20expected%20to,reach%20%24902.2%20billion%20in%202023).
- 134) Sanchez, Luis. "Why Booking Holdings Is a Better Investment Than Expedia." *The Motley Fool*, *The Motley Fool*, 19 Dec. 2019,

www.fool.com/investing/2019/12/19/booking-holdings-better-investment-than-expedia.aspx.

- 135) Atome. "Agoda Launches Regional Instalment Payment Option with Atome." Business Insider, Business Insider, 20 Dec. 2020, markets.businessinsider.com/news/stocks/agoda-launches-regional-instalment-payment-option-with-atome-1029908909.
- 136) Sharma, Asit. "Don't Ignore This Long-Term Risk to Booking Holdings' Business." The Motley Fool, The Motley Fool, 11 Nov. 2020, www.fool.com/investing/2020/11/10/dont-ignore-this-long-term-risk-to-booking-holding/.
- 137) Booking Holdings Inc. "History." *Booking Holdings*, 8 Jan. 2020, www.bookingholdings.com/about/history
- 138) Booking Holdings Inc. "History." *Booking Holdings*, 8 Jan. 2020, www.bookingholdings.com/about/history
- 139) Ibid.
- 140) Booking.com. "Booking.Com Research Reveals Gender Bias in the Tech Industry Is Not Just Limited to IT and Engineering." *Booking.Com*, 2017, news.booking.com/bookingcom-research-reveals-gender-bias-in-the-tech-industry-is-not-just-limited-to-it-and-engineering.
- 141) Booking Holdings. "Leadership." *Booking Holdings*, 21 Aug. 2020, www.bookingholdings.com/about/leadership.
- 142) "Booking Holdings Inc. (BKNG) Holders." Yahoo Finance, Yahoo Finance, 2021, finance.yahoo.com/quote/BKNG/holders?p=BKNG.
- 143) Booking Holdings Inc. *Annual Corporate Responsibility Report*, 2018. Web. 2018. https://www.bookingholdings.com/wp-content/uploads/2019/03/BKNG_CR2018_Print_03112019.pdf (p. 4)
- 144) Ibid.
- 145) Booking Holdings Inc. *Annual Corporate Responsibility Report*, 2018. Web. 2018. https://www.bookingholdings.com/wp-content/uploads/2019/03/BKNG_CR2018_Print_03112019.pdf (p. 4)
- 146) Ibid.
- 147) Booking Holdings. *Form 10-k 2019*, 2020. Web. Feb 26, 2020. Accessed Feb 09 2021. <https://ir.bookingholdings.com/static-files/92c3d5b6-8f42-4686-afc1-f6bd61b94e06> (p. 4)

- 148) Booking Holdings. *Form 10-k 2019*, 2020. Web. Feb 26, 2020. Accessed Feb 09 2021. <https://ir.bookingholdings.com/static-files/92c3d5b6-8f42-4686-afc1-f6bd61b94e06> (p. 3)
- 149) Booking Holdings. *Form 10-k 2019*, 2020. Web. Feb 26, 2020. Accessed Feb 09 2021. <https://ir.bookingholdings.com/static-files/92c3d5b6-8f42-4686-afc1-f6bd61b94e06> (p. 4)
- 150) Booking.com. "Booking.Com: The Largest Selection of Hotels, Homes, and Vacation Rentals." Booking.Com, 20201, www.booking.com/content/about.html?aid=356980&label=gog235jc-1BCBQoggJCBWFib3V0SDNYA2g6iAEBmAEFuAEHyAEM2AEB6AEBiAIBqAIDuAL29siCBsACAdICJDZkNWY4MzcxLWRiOGItNDFjMS1hMzY0LWIwNTkzZDQ1NmFINtgCBeACAQ&sid=9e9b74a8b9acddf59383e0e51f274afe&tmpl=docs%2Fabout&lang=en-us&soz=1&lang_click=other;cdl=cs;lang_changed=1.
- 151) Booking Holdings. *Form 10-k 2019*, 2020. Web. Feb 26, 2020. Accessed Feb 09 2021. <https://ir.bookingholdings.com/static-files/92c3d5b6-8f42-4686-afc1-f6bd61b94e06> (p. 4)
- 152) Booking Holdings. *Form 10-k 2019*, 2020. Web. Feb 26, 2020. Accessed Feb 09 2021. <https://ir.bookingholdings.com/static-files/92c3d5b6-8f42-4686-afc1-f6bd61b94e06> (p. 4)
- 153) Booking Holdings. *Form 10-k 2019*, 2020. Web. Feb 26, 2020. Accessed Feb 09 2021. <https://ir.bookingholdings.com/static-files/92c3d5b6-8f42-4686-afc1-f6bd61b94e06> (p. 4)
- 154) Ibid.
- 155) Booking Holdings. *Form 10-k 2019*, 2020. Web. Feb 26, 2020. Accessed Feb 09 2021. <https://ir.bookingholdings.com/static-files/92c3d5b6-8f42-4686-afc1-f6bd61b94e06> (p. 4)
- 156) Ibid.

Bibliography

Black, J. Stewart and Hal B Gregersen. *Leading Strategic Change*. Upper Saddle River, N.J.: Prentice Hall, 2002.

Grove, Andrew S. *Only the Paranoid Survive: How to Exploit the Crisis Points That Challenge Every Company and Career*. Profile Books, 2002.

Jr, Arthur Thompson. *Crafting and Executing Strategy: The Quest for Competitive Advantage*. 22e ed., McGraw-Hill Education, 2019.

Magretta, Joan. *Understanding Michael Porter: the Essential Guide to Competition and Strategy*. Harvard Business Review Press, 2012.

Osterwalder, Alexander, and Yves Pigneur. *Business Model Generation a Handbook for Visionaries, Game Changers, and Challengers*. Wiley & Sons, 2013.