

ONLINE PLATFORMS BOOKING AND AIRBNB EXPECT A RECORD SUMMER



The online platform Booking has emerged as Airbnb's strongest rival in the furnished tourist accommodation rental market.

Despite the high costs of holidays and the scorching heat on southern beaches, this summer has been full of radiance. Booking Holdings, the top company in hotel bookings and owns Priceline, Agoda, Kayak, OpenTable, and Rental cars, has had a successful start to the year and is optimistic about the future.

Glenn Fogel, CEO of Booking Holdings, stated that the positive business trends observed in the second quarter have persisted into July, and the company is anticipating a successful summer season. During the second quarter, Booking Holdings' sales volume surged by 27.2% to \$5.5 billion, and its net profit increased by 50.5% to \$1.3 billion over the previous year. Booking Holdings is now Airbnb's most formidable rival for furnished tourist accommodations. Hotels account for only 66% of the overnight bookings made on the online platform.

Despite a mixed spring, Airbnb is confident about the summer

Airbnb announced its second-quarter turnover of \$2.5 billion, an 18% increase from last year. The number of nights sold also increased by 11% year-on-year. Although this figure is slightly below what analysts expected, Airbnb anticipates growth between 14 and 18% for the current quarter.

Despite Airbnb's prediction of a slowdown in demand, the company exceeded expectations with its second-quarter results. The booking platform estimated revenues between \$2.35 and \$2.45 billion from April to June in May. However, the actual turnover was \$2.5 billion, and the net profit increased from \$379 million to \$650 million compared to last year.

Although the company sold 115 million overnight stays during the past quarter, an 11% increase, this figure fell slightly below analysts' forecasts.

Airbnb stated in its earnings report that the results were less favorable than last year due to the pandemic's impact on the tourism industry. However, this year's spring and third quarters showed significant growth in net profit, with a year-on-year increase of 46% to \$1.2 billion. Airbnb anticipates revenue growth between 14% and 18% for the upcoming quarter, with projections of \$3.3 billion to \$3.4 billion in earnings.

Airbnb's website has 7 million active listings, a 19% increase from the previous year.

Date: 2023-08-08

Article link:

<https://www.tourism-review.com/online-platforms-expect-good-summer-numbers-news13523>