

MOBILE

What Uber's new travel feature means for the hospitality industry

January 5, 2016



Travel is becoming more closely integrated with mobile

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Uber's filing for a new patented feature, called Uber Travel, could have serious implications for the future of booking applications as well as ride-sharing services, underscoring consumer demand for consolidated travel offerings on mobile.

Uber, a platform that saw considerable traction in brand partnerships and customer outreach in 2015, is now jockeying for a big role in the travel and hospitality sector in a move that could alarm booking apps and online travel agents. The company filed a patent on December 24 for the "Uber Travel" tool, which could be leveraged to plan trips.

"Serving as the travel intermediary is an enviable position for any company," said Shuli Lowy, marketing director of mobile at [Ping Mobile](#), New York. "Travel intermediaries get a substantial cut of transactions without having to actually operate the travel service.

"Creating a stronghold in the travel booking space is no simple task; the hospitality landscape is particularly competitive," she said. "However, Uber's position as the go-to for car bookings can be leveraged to provide complete travel itineraries, providing added value to consumers.

"If successful, Uber Travel can introduce a massive new revenue stream to the company."

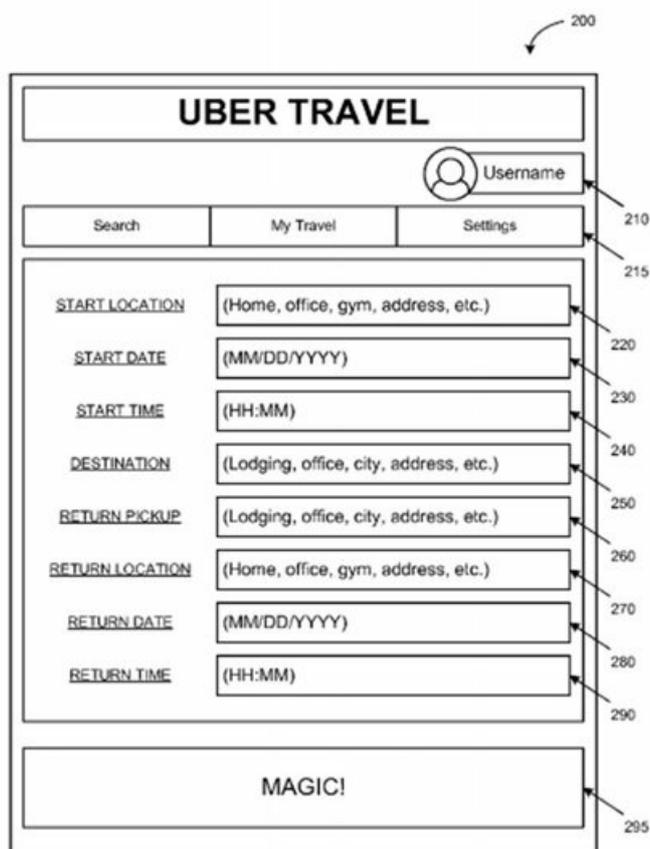
Master of all trades

Uber, frequently known as the ride-sharing service to beat in most major U.S. cities, is angling to make the travel experience even more streamlined and seamless for users via the Uber Travel feature. The patent shows an image of what appears to be a standard flight search, but changes the equation by enabling customers to book transportation to and from airports in the same search query.

The company's abstract explains that it assigns a travel itinerary to each user, which will identify scheduled flights. If a consumer has not yet booked a ride to the airport on the day of the flight, the travel tool will send a notification to his or her smartphone once the scheduled flight has landed at the airport.

The new feature will also recommend itineraries for consumers by asking them to input their starting location, date and time of departure, final destination and information regarding return date and location.

While Uber will display the usual OTA-like suggestions of a recommended hotel and flight, the platform is hoping to differentiate itself from competition by including the price of an Uber ride that will bring customers from their starting location to the airport.



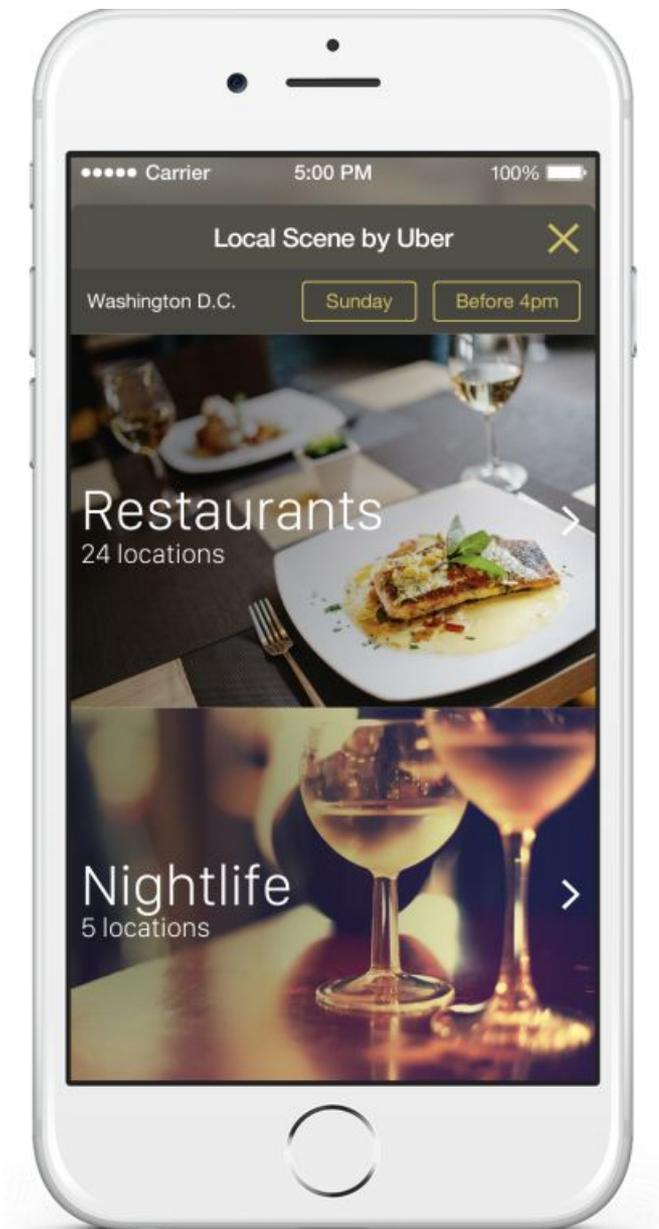
Uber's submitted patent

Uber claims it will work in tandem with airline companies and consider aspects such as a flight's on-time performance and a guest's penchant for window or aisle seating. It will recommend accommodations from hotel brands as well as private rental marketplaces, such as Airbnb.

The ride-sharing service aims to make traveling less of a hassle for consumers by keeping track of a flight's arrival time so that it can accurately suggest to the user when he or she should request an Uber ride to the final destination. The patented tool will look at estimated wait times for baggage and customs to complete this task.

This move could also be beneficial for adding more hotel rewards programs to Uber's repertoire of partnerships.

Hilton Worldwide is one of the brands opening its doors to Uber by enabling guests to set ride reminders, request vehicles to and from nearby locations as well as explore local scenes via a digital guide powered by Uber within the HHonors loyalty app ([see story](#)).



Uber offers nightlife and dining suggestions within the HHonors app

Consequently, if Uber suggests for a guest to stay at a Hilton property, it should also offer a way to easily collect loyalty points for anyone who books that hotel.

Implications for OTAs

While Uber's jump into mobile-enabled booking may scare several online travel agents, others might find that a partnership with the company is just what they need to kick their sales into higher gear.

"Hotel booking intermediaries such as Travelocity and Expedia take a standard commission cut of 15 to 35 percent of the booked hotel room rate," Ms. Lowy said. "While the hefty commission payout has been hard for individual hotel properties to digest, it has also served as a necessary route to fill rooms.

"Many hotel brands have been stepping up their customer retention and brand affinity game plan in order to get consumers to book directly and combat travel booking intermediaries, referred to as OTAs."

OTAs specializing in last-minute bookings would be best-suited to share their inventory with Uber, as they are undoubtedly attempting to sell off every last available room.

Uber's innovative and bold move may also stir up interest from its competitors, especially those seeking to widen audience outreach.

"While other car service apps may be interested in rolling out a similar product if it's successful, the rollout will not be a quick one," Ms. Lowy said. "It takes a powerful engine and thoughtful engineering to create a system that accounts for all aspects of a trip and searches through all airlines, hotels, and private apartment rentals.

"It will likely take other apps a substantial amount of time to build a similar tool," she said. "What has become clear is that consumers migrate towards travel booking tools that provide the best UX and most value.

"Maintaining a strong foothold as a travel intermediary requires companies to stay ahead of the curve and always consider strategic innovation."

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