

Expedia Group (NASDAQ: EXPE) is a travel marketplace that connects travelers with hotels, Vrbo homes, airlines and other suppliers without owning any of them: it mostly sells hotel stays as merchant of record, collecting from the traveler at booking and keeping the margin, earns commissions on agency bookings, and sells advertising. FY2025 (year ended Dec 31, 2025) revenue was \$14.7B (+8%) on \$119.6B of gross bookings (+8%), a 12.3% revenue margin. Merchant was 70% of revenue, agency 22% and advertising, media and other 8%. Operating income was \$1.9B (+42%), net income attributable to Expedia Group was \$1.3B and free cash flow was about \$3.1B (INFERENCE), while about half of revenue went to direct marketing. In H1 2026 revenue grew 14% to \$7.7B, and B2B grew about 24%.

BUSINESS MODEL CANVAS

Expedia Group

Research date: Oct 11, 2026

Evidence-backed · sources in companion brief

KEY PARTNERS

- **Lodging suppliers** — about 3.6M properties at end of 2025, including about 2.4M Vrbo online-bookable alternative accommodations (FACT).
- **Airlines and GDS providers** — over 500 airlines; Amadeus and Sabre supply air content (FACT).
- **B2B distribution partners** — airlines, agents, retailers, banks using Rapid API, white label and TAAP (FACT).
- **Affiliate partners** — Expedia pays a commission on traffic that converts (FACT).
- **American Express Global Business Travel** — 10-year lodging supply agreement after the 2021 Egencia sale (FACT).
- **Cloud providers** — migration to public cloud, primarily AWS (FACT).

KEY ACTIVITIES

- **Signing and managing supply** — hotels, Vrbo homes, airlines, cars, cruises, activities (FACT).
- Running one booking platform for all core consumer brands since 2023 (FACT).
- **Merchant of record payments** — collects from travelers at booking and pays suppliers later (FACT).
- **Packaging** — travelers build trips with a lower total price than separate components (FACT).
- **Marketing and loyalty** — One Key across Expedia, Hotels.com and Vrbo (FACT).
- **24/7 support** — virtual agent, phone, chat, email; in-house and outsourced centers (FACT).

KEY RESOURCES

- **Supply** — about 3.6M lodging properties, over 500 airlines (FACT).
- **Brands** — Expedia, Hotels.com, Vrbo plus Orbitz, Travelocity, ebookers, Wotif and trivago (FACT).
- **Platform, data and people** — about 16,000 employees, about half in technology (FACT).
- **Deferred merchant bookings** — \$15.4B at Jun 30, 2026 (FACT).
- **Liquidity** — \$7.1B cash and short-term investments, Jun 30, 2026 (FACT).

VALUE PROPOSITIONS

- **Travelers** — breadth of supply, package savings and One Key rewards (FACT).
- **Hotels and Vrbo owners** — demand, tools and choice of how they are paid (FACT).
- **B2B partners** — Rapid API, white-label sites and TAAP agent tool (FACT).
- **Advertisers** — sponsored listings and media across its sites and trivago (FACT).
- Single-digit share of an over \$2 trillion travel market leaves room to grow (FACT per 10-K citing Phocuswright).

CUSTOMER RELATIONSHIPS

- **One Key** — one rewards program across three core brands (FACT).
- **Personalization** — predictive, first-party data experiences (FACT).
- **Self-service and AI** — virtual agent plus human agents 24/7 (FACT).
- **Supplier account managers** — strategic accounts and local hotel market managers (FACT).
- **Partner support** — dedicated B2B support alongside the API and white-label tools (FACT).

CHANNELS

- **Apps and websites** — Expedia, Hotels.com, Vrbo and other brands (FACT).
- **Search and metasearch** — paid and organic, including Google and Kayak competitors (FACT).
- **Brand, social and loyalty email** — online and offline brand advertising (FACT).
- **Affiliate partners** — commission for converted traffic (FACT).
- **B2B** — Rapid API, white label and TAAP; \$35.7B of 2025 gross bookings (FACT).

CUSTOMER SEGMENTS

- **B2C travelers** — \$9.5B of 2025 revenue, 11.3% revenue margin (FACT).
- **B2B partners** — \$4.8B of 2025 revenue, +18%, 13.6% margin (FACT).
- **trivago advertisers and travelers** — \$417M third-party revenue, +33% (FACT).
- **Hotels and Vrbo owners** — pay commissions as suppliers (FACT).
- **Advertisers** — mostly travel providers (FACT).
- **Alternative-accommodation travelers** — Vrbo, whole-home leisure, mainly North America (FACT).

COST STRUCTURE

- **Selling and marketing - direct** — \$7,349M in 2025, 49.9% of revenue (FACT).
- **Selling and marketing - indirect** — \$836M (FACT).
- **Cost of revenue** — \$1,456M, 9.9% of revenue (FACT).
- **Technology and content** — \$1,277M, 8.7% of revenue (FACT).
- **General and administrative** — \$765M, 5.2% of revenue (FACT).
- **Depreciation and amortization** — \$887M (FACT).

REVENUE STREAMS

- **Merchant** — \$10,256M in 2025, 70% of revenue (FACT).
- **Agency** — \$3,183M, 22% of revenue, mostly air gross bookings (FACT).
- **Advertising, media and other** — \$1,294M; EG Advertising \$758M, +19% (FACT).
- **Revenue margin** — 12.3% of gross bookings; B2C 11.3%, B2B 13.6% (FACT).
- **Lodging** — \$11,752M, 80% of revenue (FACT).
- H1 2026 revenue \$7,741M, +14%; gross bookings \$69.5B, +12% (FACT).