



Platform Scale and Profitability Across Global Online Travel Firms

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Article Info :

Received:

01-08-2026

Revised:

10-08-2026

Accepted:

20-08-2026

Abstract

Online travel platforms differ in their ability to transform transaction scale into financial performance. Between 2023 and 2025, Booking Holdings, Airbnb, and Expedia Group all expanded gross bookings and revenue, but their monetization efficiency and profitability followed different patterns. Booking Holdings maintained the largest transaction base and the highest revenue-to-bookings ratio, while Airbnb achieved a comparable 2025 net margin from a substantially smaller booking base. Expedia Group recorded booking and revenue growth but lower profitability, indicating that ecosystem scale alone does not determine earnings outcomes. This study used comparative secondary financial analysis of audited annual reports and investor-relations data from 2023–2025. Gross bookings, revenue growth, revenue-to-bookings ratios, and net income margins were examined to assess scale, monetization, and profitability. The findings show that revenue conversion remained relatively stable across firms, whereas profit margins differed considerably because of business architecture, cost structure, taxation, and operating leverage. The results confirm that platform evaluation should combine ecosystem throughput, monetization efficiency, and normalized profitability rather than rely on transaction volume alone. These findings provide managerial evidence for assessing travel platforms across distinct business models.

Keywords: financial performance, online travel platforms, platform economics, profitability, revenue conversion.



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INTRODUCTION

Digital transformation has fundamentally reshaped tourism distribution by shifting market coordination from conventional intermediaries toward technology-based platform ecosystems. Online travel platforms now connect travelers, accommodation providers, airlines, advertisers, payment providers, and other complementary actors within integrated digital marketplaces. Platform theory explains this structure through indirect network effects, multisided interactions, governance mechanisms, and digital interfaces that facilitate transactions among interdependent participants (Parker et al., 2016; Hagiu & Wright, 2015; Constantinides et al., 2018). Consequently, platform scale has become strategically important because broader user and supplier networks can strengthen matching efficiency, data generation, market visibility, and transaction opportunities, although scale alone does not necessarily produce superior financial outcomes.

The economic performance of digital platforms depends not only on network expansion but also on how effectively firms organize and monetize their ecosystems. Research on platform strategy demonstrates that ecosystem boundaries, complementor relationships, governance arrangements, and control over interfaces determine both value creation and value capture (Gawer & Cusumano, 2014; Jacobides et al., 2018; Hein et al., 2020). Competitive advantage in digital markets therefore emerges from strategic positioning and differentiated platform architectures rather than from transaction volume alone (Gawer, 2021; Cennamo, 2021). This perspective is particularly relevant to the online travel industry, where major firms operate under different combinations of agency models, merchant activities, advertising services, payment systems, business-to-business distribution, and direct customer interfaces.

The expansion of platform-based tourism has also transformed traditional accommodation markets and consumer decision-making processes. Airbnb initially represented a disruptive peer-to-

peer accommodation model that challenged established lodging structures by enabling distributed hosts to interact directly with travelers through a centralized digital marketplace (Guttentag, 2015; Zervas et al., 2017). Subsequent research indicates that price, convenience, authenticity, trust, location, and experiential value influence consumer adoption, while increasing professionalization has moved Airbnb beyond the conventional interpretation of a purely sharing-economy platform (Guttentag et al., 2018; So et al., 2018; Dogru et al., 2020). These developments demonstrate that platform growth in tourism involves not only technological intermediation but also continuous changes in governance, supply organization, consumer behavior, and mechanisms of value creation (Dolnicar, 2019; Reinhold & Dolnicar, 2018).

Data-driven capabilities constitute another important source of competitive advantage for online travel platforms because digital interactions continuously generate information about customer preferences and transaction behavior. Digital innovation literature emphasizes that technologies reshape innovation processes, entrepreneurial opportunities, organizational boundaries, and mechanisms through which firms capture economic value (Nambisan et al., 2017; Nambisan et al., 2019; Teece, 2018). Within tourism and hospitality, big data and analytical capabilities support customer segmentation, pricing decisions, service design, personalization, and the interpretation of consumer experiences (Xiang et al., 2015; Mariani et al., 2018). Online travel firms are therefore positioned to transform search activity, reservations, cancellations, payments, reviews, and other digital traces into strategic resources that can improve platform efficiency and strengthen customer and supplier relationships.

Despite their substantial transaction volumes, online travel platforms cannot be evaluated accurately by relying solely on gross bookings or similar scale indicators. Gross bookings represent the total value of travel transactions processed through a platform, whereas reported revenue reflects the portion recognized through commissions, service fees, merchant spreads, advertising, payment services, and other monetization mechanisms. Platform strategy literature distinguishes value creation across an ecosystem from the financial value ultimately captured by the platform operator, indicating that growth in transaction volume does not automatically translate into proportionate revenue or profitability (Tiwana, 2014; de Reuver et al., 2018; Cusumano et al., 2019). Accordingly, the relationship among transaction scale, revenue conversion, and net income needs to be examined simultaneously to obtain a more comprehensive assessment of platform financial performance.

Booking Holdings, Airbnb, and Expedia Group provide an analytically useful comparison because they represent major global online travel platforms with different business architectures and monetization structures. Booking Holdings operates through a diversified portfolio involving accommodation, transportation, payments, and related travel services, whereas Airbnb remains strongly oriented toward a host–guest marketplace and service-fee model. Expedia Group combines consumer-facing travel brands with a substantial business-to-business distribution segment, creating another pathway for generating transaction volume and revenue (Booking Holdings Inc., 2024, 2025, 2026; Airbnb, Inc., 2024, 2025, 2026; Expedia Group, Inc., 2024, 2025, 2026). These structural differences make cross-company comparison valuable for understanding how firms with similar intermediary functions can convert ecosystem scale into substantially different financial outcomes.

Although the literature on digital platforms and online tourism has expanded considerably, much previous research has concentrated on platform governance, innovation, consumer adoption, competition, and the disruptive consequences of peer-to-peer accommodation. Studies of sharing-economy and digital-platform ecosystems have highlighted heterogeneous organizational models, governance tensions, and strategic configurations, but the direct financial relationship between transaction scale and profitability across major online travel firms remains comparatively underexplored (Acquier et al., 2017; Sutherland & Jarrahi, 2018). This gap is important because high transaction volume may coexist with different revenue-conversion ratios, operating structures, taxation effects, marketing intensity, and net profit margins. A comparative financial perspective can therefore extend platform research by showing how ecosystem throughput is transformed into recognized revenue and retained earnings under different business architectures.

Based on this research gap, the present study examines the relationship between platform scale, monetization, and profitability across Booking Holdings, Airbnb, and Expedia Group during the 2023–2025 period. The analysis focuses on gross bookings, revenue growth, revenue-to-bookings conversion, and net income margins to distinguish transaction expansion from the financial value ultimately

captured by each platform. Specifically, the study investigates how transaction scale and revenue changed across the three firms, how much reported revenue was generated relative to gross booking value, and how profitability differed despite variations in platform size. By integrating comparative financial evidence with platform and tourism literature, the study seeks to provide a clearer managerial understanding of why large digital ecosystems can produce different profitability outcomes and why platform performance should be evaluated through both scale and financial-conversion indicators (Gawer, 2021; Cennamo, 2021; Parker et al., 2016).

RESEARCH METHODS

This study employed a comparative quantitative approach based on secondary financial data to evaluate the relationship between platform scale, monetization, and profitability across Booking Holdings, Airbnb, and Expedia Group during the 2023–2025 fiscal period. The data were obtained from audited annual reports, Securities and Exchange Commission filings, and official full-year investor-relations releases published by the three companies, ensuring that all financial information originated from publicly available corporate disclosures (Airbnb, Inc., 2024, 2025, 2026; Booking Holdings Inc., 2024, 2025, 2026; Expedia Group, Inc., 2024, 2025, 2026). Financial values were standardized in US dollars and presented in billions to facilitate cross-company comparison, while the primary analytical variables consisted of gross bookings or gross booking value, revenue, and GAAP net income. The use of secondary financial data was considered appropriate because these corporate disclosures provide standardized information on revenue and profitability together with company-defined booking metrics that reflect the transaction scale of each digital platform.

The analysis employed descriptive financial-ratio and trend techniques using four principal indicators: transaction scale, revenue growth, revenue-to-bookings conversion, and net income margin. Revenue growth was calculated through annual percentage changes and the compound annual growth rate for 2023–2025, while the revenue-to-bookings ratio was obtained by dividing reported revenue by gross booking value and the net income margin was calculated by dividing GAAP net income by revenue. Cross-company interpretation was conducted cautiously because the firms differ in agency and merchant accounting models, business segment composition, taxation effects, and definitions of gross bookings, while Airbnb's 2023 net income was additionally influenced by a substantial income-tax benefit. Accordingly, the study emphasizes within-company trends and comparative ratio patterns rather than causal inference, allowing the analysis to identify observable differences in the conversion of transaction volume into revenue and earnings without assuming that a single financial ratio fully represents overall platform performance.

RESULTS AND DISCUSSION

Platform Scale, Growth, and Transaction Throughput

The comparative results demonstrate that Booking Holdings, Airbnb, and Expedia Group expanded their transaction ecosystems during 2023–2025, although the magnitude of their gross bookings and revenue differed substantially. Booking Holdings consistently processed the largest gross booking value, followed by Expedia Group and Airbnb, indicating considerable variation in the scale at which the three platforms coordinated travel transactions. This pattern is theoretically consistent with multisided-platform research, which considers transaction scale a consequence of interactions between demand, supply, and complementary participants rather than merely the size of a firm's physical assets (Parker et al., 2016; Hagiu & Wright, 2015). The results therefore indicate that scale in online travel should primarily be interpreted as the volume of economic activity orchestrated through a platform ecosystem rather than as conventional organizational size.

Booking Holdings recorded the strongest absolute transaction position throughout the observation period, with gross bookings increasing from approximately US\$150.6 billion in 2023 to US\$165.6 billion in 2024 and US\$186.1 billion in 2025. During the same period, its revenue increased from US\$21.365 billion to US\$23.739 billion and subsequently to US\$26.917 billion, resulting in an estimated 2023–2025 revenue compound annual growth rate of 12.24% (Booking Holdings Inc., 2024, 2025, 2026). The parallel increase in bookings and revenue suggests that growth was supported by expanding transaction activity rather than by a substantial reconfiguration of the platform's overall monetization structure. This finding corresponds with Gawer and Cusumano's (2014) argument that

platform expansion becomes economically meaningful when ecosystem growth is accompanied by mechanisms that enable the focal firm to capture value from increasing participation.

Booking Holdings' scale can also be understood through the breadth of its digital travel ecosystem, which includes accommodation distribution alongside transportation, payments, and other travel-related services. Platform scope is strategically important because the integration of multiple sides and interfaces can create cross-service interactions while simultaneously increasing the complexity of platform governance (Gawer, 2021). Its continued growth suggests that a broad travel portfolio can generate substantial transaction throughput when customer demand and supplier participation remain sufficiently coordinated. However, the large gross booking figures should not automatically be interpreted as evidence of superior efficiency because ecosystem size and the financial conversion of that ecosystem represent separate dimensions of platform performance (Cusumano et al., 2019).

Airbnb displayed a different scale configuration, with gross booking value rising from approximately US\$73.3 billion in 2023 to US\$81.8 billion in 2024 and US\$91.3 billion in 2025. Revenue increased from US\$9.917 billion to US\$11.102 billion and then US\$12.241 billion during the same period, corresponding to an estimated two-year compound annual growth rate of 11.10% (Airbnb, Inc., 2024, 2025, 2026). Despite operating from a considerably smaller transaction base than Booking Holdings, Airbnb therefore achieved a relatively similar revenue-growth trajectory, demonstrating that platform growth does not depend exclusively on absolute ecosystem size. This development is consistent with research showing that Airbnb's expansion has increasingly transformed it from an emerging peer-to-peer accommodation alternative into a large-scale and increasingly professionalized lodging marketplace (Guttentag, 2015; Dogru et al., 2020).

Airbnb's growth pattern is closely associated with its distributed supply structure, in which independent hosts provide accommodation capacity without requiring the platform to own the underlying lodging assets. Previous tourism studies show that price, authenticity, location, convenience, and experiential motivations have encouraged travelers to participate in peer-to-peer accommodation markets, thereby expanding both the demand and supply sides of the platform (Guttentag et al., 2018; So et al., 2018). The increase of approximately US\$18 billion in gross booking value between 2023 and 2025 indicates that this marketplace architecture continued to support substantial transaction expansion. From an ecosystem perspective, such growth illustrates how platform value can emerge through coordination among decentralized suppliers and consumers when governance mechanisms enable repeated and trusted market interactions (Reinhold & Dolnicar, 2018).

Table 1. Comparative Gross Bookings and Revenue of Major Online Travel Platforms, 2023–2025

Firm	Year	Gross Bookings / GBV (US\$ billion)	Revenue (US\$ billion)
Booking Holdings	2023	150.600	21.365
Booking Holdings	2024	165.600	23.739
Booking Holdings	2025	186.100	26.917
Airbnb	2023	73.300	9.917
Airbnb	2024	81.800	11.102
Airbnb	2025	91.300	12.241
Expedia Group	2023	104.079	12.839
Expedia Group	2024	110.921	13.691
Expedia Group	2025	119.590	14.733

Source: Compiled from Airbnb, Inc. (2024, 2025, 2026), Booking Holdings Inc. (2024, 2025, 2026), and Expedia Group, Inc. (2024, 2025, 2026).

Expedia Group occupied an intermediate position in transaction scale, with gross bookings increasing from US\$104.079 billion in 2023 to US\$110.921 billion in 2024 and US\$119.590 billion in 2025. Its revenue concurrently increased from US\$12.839 billion to US\$13.691 billion and US\$14.733 billion, corresponding to an estimated 2023–2025 compound annual growth rate of 7.12% (Expedia Group, Inc., 2024, 2025, 2026). Although this growth rate was lower than those recorded by Booking Holdings and Airbnb, the continuous increase across the observation period indicates sustained

expansion of Expedia's transaction ecosystem. The result supports the ecosystem perspective of Jacobides et al. (2018), which emphasizes that platform growth may occur through heterogeneous relationships with consumers, suppliers, and complementary organizational partners rather than through a single standardized market structure.

A distinctive element of Expedia's scale is the coexistence of consumer-facing businesses and business-to-business distribution activities. Digital platform ecosystems can expand transaction reach by embedding services within partner organizations, allowing the focal platform to access demand without relying exclusively on direct interactions with end consumers (Hein et al., 2020). This architecture helps explain why gross transaction volume should not be interpreted only through the visibility of consumer brands because partner-based distribution can also contribute materially to platform throughput. Cennamo (2021) similarly argues that competition among digital platforms depends on differentiated strategic positioning, making Expedia's combined B2C and B2B structure an important contextual factor in interpreting its observed growth.

Cross-company comparison reveals that transaction volume and revenue increased together for all three firms but did not move at identical rates. This distinction is important because platform architecture permits firms to use different pricing mechanisms, transaction structures, and participation incentives across the sides of the market (Hagiu & Wright, 2015; Constantinides et al., 2018). Booking Holdings increased gross bookings by approximately US\$35.5 billion between 2023 and 2025, Airbnb by about US\$18.0 billion, and Expedia Group by approximately US\$15.5 billion, while each simultaneously expanded reported revenue. These patterns reinforce the argument that platform growth depends on the ability to increase valuable interactions across ecosystem participants while maintaining a business architecture capable of monetizing the resulting transactions (Tiwana, 2014; de Reuver et al., 2018).

The observed growth also illustrates the strategic significance of digital capabilities in supporting increasingly large transaction ecosystems. Digital innovation research explains that platforms can recombine technologies, organizational processes, and external actors to reduce transaction friction and enable new forms of interaction across organizational boundaries (Nambisan et al., 2017). In online travel markets, digital search, mobile interfaces, payment technologies, recommendation mechanisms, supplier-management systems, and data processing can therefore increase the capacity of a platform to coordinate large numbers of bookings without proportionate expansion of physical assets. Teece (2018) further suggests that the economic benefits of digital innovation depend on the complementary assets and business models that allow firms to capture value from technological capabilities, which helps explain why comparable digital functions may generate different growth trajectories across travel platforms.

The three trajectories ultimately demonstrate that there is no single pathway through which an online travel platform must achieve scale. Booking Holdings combined the largest transaction base with strong revenue expansion, Airbnb generated comparable revenue growth from a substantially smaller host-centered marketplace, and Expedia Group expanded through a diversified structure involving both direct consumers and business partners. These results align with broader research describing digital and sharing-economy platforms as heterogeneous organizational arrangements whose economic outcomes depend on differences in governance, market relationships, and ecosystem configuration (Acquier et al., 2017; Sutherland & Jarrahi, 2018). Consequently, gross booking scale should be treated as the first layer of platform performance analysis, while the extent to which each firm converts that transaction scale into revenue and earnings requires separate examination in the subsequent analysis.

Monetization and Revenue Conversion Efficiency

The revenue-to-bookings ratio provides an important measure of how effectively an online travel platform converts transaction value into recognized corporate revenue. Across the 2023–2025 observation period, the three firms displayed relatively stable conversion patterns despite continuous expansion in gross bookings. Booking Holdings maintained the highest ratio, Airbnb occupied an intermediate position, and Expedia Group reported the lowest ratio throughout the period. This stability supports the distinction between ecosystem value creation and focal-firm value capture emphasized in platform research (Cusumano et al., 2019; Teece, 2018).

Booking Holdings increased its revenue-to-bookings ratio from approximately 14.19% in 2023 to 14.34% in 2024 and 14.46% in 2025. The gradual increase occurred while gross bookings expanded

from US\$150.6 billion to US\$186.1 billion, indicating that larger transaction volume was accompanied by slightly stronger aggregate revenue conversion (Booking Holdings Inc., 2024, 2025, 2026). Although the percentage-point change appears limited, even a small improvement has substantial financial implications when applied to a transaction ecosystem exceeding US\$180 billion annually. Platform scholarship suggests that pricing architecture, interface control, complementary services, and the composition of merchant and agency activities can materially influence how economic value is captured from expanding ecosystems (Gawer, 2021; Cusumano et al., 2019).

Airbnb maintained a similarly stable monetization pattern, with revenue-to-gross-booking-value ratios of approximately 13.53% in 2023, 13.57% in 2024, and 13.41% in 2025. Gross booking value nevertheless increased from US\$73.3 billion to US\$91.3 billion, while revenue expanded from US\$9.917 billion to US\$12.241 billion over the same period (Airbnb, Inc., 2024, 2025, 2026). This combination indicates that revenue growth was driven primarily by marketplace expansion rather than a substantial increase in the proportion of booking value recognized as revenue. Such stability is economically significant because multisided platforms must balance monetization with the participation incentives of both consumers and suppliers (Hagiu & Wright, 2015; Sutherland & Jarrahi, 2018).

Expedia Group reported a lower but equally stable conversion ratio of approximately 12.34% in 2023, 12.34% in 2024, and 12.32% in 2025. During those years, gross bookings rose from US\$104.079 billion to US\$119.590 billion and revenue increased from US\$12.839 billion to US\$14.733 billion (Expedia Group, Inc., 2024, 2025, 2026). The limited movement in the ratio suggests that Expedia's revenue expansion was also largely associated with higher transaction throughput rather than substantial changes in aggregate monetization intensity. Interpretation nevertheless requires caution because Expedia's combination of consumer-facing and business-to-business activities creates different contractual and accounting structures within the same platform ecosystem (Jacobides et al., 2018; Hein et al., 2020).

The comparative evidence therefore reveals a relatively narrow but persistent range of monetization outcomes across the three firms. In 2025, approximately 14.46% of Booking Holdings' gross booking value was represented by reported revenue, compared with 13.41% for Airbnb and 12.32% for Expedia Group. These ratios should not be interpreted as direct contractual take rates because reported revenue can reflect commissions, merchant spreads, service fees, advertising activities, payment products, and differences in accounting presentation. The appropriate interpretation is therefore a broad financial-conversion measure connecting ecosystem transaction scale with the revenue ultimately recognized by the focal platform (Tiwana, 2014; de Reuver et al., 2018).

Table 2. Revenue-to-Bookings Conversion Ratios, 2023–2025

Firm	2023	2024	2025	Change 2023–2025
Booking Holdings	14.19%	14.34%	14.46%	+0.27 percentage points
Airbnb	13.53%	13.57%	13.41%	−0.12 percentage points
Expedia Group	12.34%	12.34%	12.32%	−0.02 percentage points

Source: Author calculations based on Airbnb, Inc. (2024, 2025, 2026), Booking Holdings Inc. (2024, 2025, 2026), and Expedia Group, Inc. (2024, 2025, 2026). Revenue-to-bookings ratio = $\text{reported revenue} \div \text{gross bookings or gross booking value} \times 100$.

The stability shown in Table 2 suggests that the three companies expanded largely within established monetization structures rather than relying on sharp increases in the share of transaction value retained as revenue. This pattern is consistent with multisided-platform theory because aggressive extraction from one side of a market may weaken participation on another side and reduce the overall value of the network (Hagiu & Wright, 2015; Parker et al., 2016). Hotels, hosts, travelers, and other suppliers can respond to unfavorable pricing structures through direct booking, multihoming, or competing intermediaries, thereby constraining platform monetization decisions. Stable conversion ratios may consequently reflect an economic balance between value capture by the platform and the preservation of sufficient benefits for ecosystem participants.

Competitive pressure from direct distribution channels further limits the extent to which online travel firms can continuously increase commissions and service charges. Hotels and other tourism suppliers increasingly employ direct websites, loyalty programs, mobile applications, and personalized

marketing to reduce reliance on intermediaries, while digital platforms compete through convenience, comparison functions, inventory breadth, and consumer acquisition. Research on peer-to-peer accommodation demonstrates that alternative intermediation structures can substantially influence established tourism markets and alter competitive relationships among accommodation providers (Zervas et al., 2017; Dolnicar, 2019). The persistent monetization ratios observed between 2023 and 2025 are therefore compatible with a competitive environment in which platforms must preserve their economic attractiveness relative to both direct and alternative channels.

Data analytics provide another mechanism through which platforms can improve financial conversion without directly increasing headline transaction fees. Tourism research demonstrates that large-scale digital data can support customer segmentation, demand prediction, pricing decisions, personalization, and deeper understanding of traveler experiences (Xiang et al., 2015; Mariani et al., 2018). Search histories, booking behavior, customer reviews, payment patterns, and loyalty interactions can be used to improve recommendations and reduce transaction friction, potentially generating more completed bookings from the same user base. Consequently, revenue expansion under stable monetization ratios may still incorporate substantial improvements in digital efficiency, customer conversion, and product attachment even when aggregate revenue-to-bookings percentages change very little.

Digital innovation may also strengthen monetization through new services rather than simply through higher charges on existing transactions. Platform firms can integrate payment solutions, advertising, loyalty functions, supplier tools, application programming interfaces, and AI-assisted travel services that expand the range of economically valuable interactions occurring within the ecosystem. Nambisan et al. (2017) explain that digital innovation emerges through the recombination of technologies and organizational actors, while Nambisan et al. (2019) emphasize that digital transformation changes the locations and processes through which entrepreneurial and innovative value is generated. The relatively stable conversion ratios observed across the firms may therefore conceal substantial innovation within the composition, convenience, and quality of transactions processed by each platform.

The monetization results ultimately indicate that transaction growth and revenue capture should be assessed as related but analytically distinct dimensions of online travel platform performance. Booking Holdings maintained the highest broad conversion ratio, Airbnb preserved a moderately lower ratio despite strong marketplace expansion, and Expedia Group sustained a lower conversion level within a more diversified B2C and B2B structure. These differences are consistent with the view that platform competition depends on differentiated architectures, ecosystem positioning, governance mechanisms, and business models rather than on a universally optimal fee structure (Cennamo, 2021; Gawer & Cusumano, 2014). The next analytical dimension is therefore profitability, because similar or stable monetization ratios can still produce substantially different net income outcomes depending on operating costs, marketing intensity, taxation, business mix, and operating leverage.

Profitability, Operating Leverage, and Strategic Financial Performance

Profitability reveals substantially greater differences among the three online travel platforms than either transaction growth or revenue-to-bookings conversion. Booking Holdings generated net income margins of approximately 20.07% in 2023, 24.78% in 2024, and 20.08% in 2025, while maintaining strong growth in both gross bookings and revenue. The movement demonstrates that a relatively stable monetization structure does not necessarily produce a stable bottom-line margin because operating expenses, taxation, financing costs, and other accounting items affect the amount of revenue ultimately retained as net income (Booking Holdings Inc., 2024, 2025, 2026). This finding reinforces the platform-strategy perspective that value capture depends not only on ecosystem size but also on the organizational mechanisms through which platform-generated revenue is translated into economic returns (Cusumano et al., 2019; Teece, 2018).

Booking Holdings' 2024 margin of approximately 24.78% was notably above its 2023 and 2025 levels, although its absolute net income remained substantial throughout the observation period. Net income increased from approximately US\$4.289 billion in 2023 to US\$5.882 billion in 2024 before moderating to US\$5.404 billion in 2025 as revenue reached US\$26.917 billion (Booking Holdings Inc., 2024, 2025, 2026). The 2025 moderation indicates that expanding booking volume and recognized revenue do not automatically generate proportional increases in accounting profit. Platform architecture

can provide opportunities for operating leverage, but its realization remains dependent on cost discipline, marketing requirements, technological investment, and complementary organizational assets (Gawer, 2021; Teece, 2018).

Airbnb exhibited the most pronounced variation in reported net income margins, recording approximately 48.32% in 2023, 23.85% in 2024, and 20.42% in 2025. The exceptionally high 2023 ratio was materially affected by a large income-tax benefit and should therefore not be interpreted as evidence that the underlying marketplace suddenly achieved a recurring margin approaching 50% (Airbnb, Inc., 2024, 2025, 2026). The 2024 and 2025 results provide a more informative basis for examining the platform's recent earnings conversion, with net income of approximately US\$2.648 billion and US\$2.500 billion respectively. This accounting effect demonstrates why platform-performance analysis must distinguish operational developments from tax and other non-operating influences when evaluating value capture across periods (Sutherland & Jarrahi, 2018; Acquier et al., 2017).

Airbnb's 2025 net margin of approximately 20.42% was close to Booking Holdings' 20.08%, despite Airbnb processing less than half of Booking Holdings' gross booking value. Such evidence indicates that absolute transaction scale and net margin do not maintain a simple linear relationship, because firms can operate with substantially different marketplace structures, cost profiles, and revenue architectures. Airbnb's distributed host model allows the platform to coordinate accommodation supply without owning the underlying lodging inventory, although substantial expenditure is still required for technology, customer support, trust, safety, marketing, and platform governance (Dogru et al., 2020; Reinhold & Dolnicar, 2018). The result supports broader platform research suggesting that organizational boundaries and the allocation of activities between the focal firm and ecosystem participants can significantly influence the economics of digital intermediation (Constantinides et al., 2018; Jacobides et al., 2018).

Expedia Group produced a different profitability trajectory, with its net income margin improving from approximately 6.21% in 2023 to 9.01% in 2024 before remaining at approximately 8.78% in 2025. In absolute terms, reported net income increased from approximately US\$0.797 billion in 2023 to US\$1.234 billion in 2024 and US\$1.294 billion in 2025, while revenue increased from US\$12.839 billion to US\$14.733 billion (Expedia Group, Inc., 2024, 2025, 2026). The improvement relative to 2023 demonstrates stronger earnings conversion, but the margin remained considerably different from those reported by Booking Holdings and Airbnb despite Expedia processing a larger gross booking value than Airbnb. This pattern provides further evidence that platform profitability is shaped by business mix, distribution channels, cost structure, and ecosystem configuration rather than transaction volume alone (Hein et al., 2020; Cennamo, 2021).

Table 3. Comparative Net Income and Net Profit Margin of Online Travel Platforms, 2023–2025

Firm	Year	Revenue (US\$ billion)	Net Income (US\$ billion)	Net Profit Margin
Booking Holdings	2023	21.365	4.289	20.07%
Booking Holdings	2024	23.739	5.882	24.78%
Booking Holdings	2025	26.917	5.404	20.08%
Airbnb	2023	9.917	4.792*	48.32%*
Airbnb	2024	11.102	2.648	23.85%
Airbnb	2025	12.241	2.500	20.42%
Expedia Group	2023	12.839	0.797	6.21%
Expedia Group	2024	13.691	1.234	9.01%
Expedia Group	2025	14.733	1.294	8.78%

*Source: Author calculations from Airbnb, Inc. (2024, 2025, 2026), Booking Holdings Inc. (2024, 2025, 2026), and Expedia Group, Inc. (2024, 2025, 2026). Net profit margin = GAAP net

$income \div revenue \times 100$. Airbnb's 2023 net income was materially affected by an income-tax benefit and should not be interpreted as a normalized recurring profitability measure.

The 2025 cross-sectional comparison provides particularly clear evidence that transaction scale cannot independently explain profitability. Booking Holdings processed approximately US\$186.1 billion in gross bookings and Airbnb approximately US\$91.3 billion, yet both recorded net income margins close to 20%, whereas Expedia generated approximately US\$119.6 billion in bookings but a margin of approximately 8.78%. These observations indicate that the economic consequences of platform scale depend on governance structures, pricing arrangements, complementor relationships, organizational boundaries, and competitive positioning (Jacobides et al., 2018; Constantinides et al., 2018). Gross bookings therefore represent an opportunity for value creation, whereas the proportion converted into profit reflects how effectively the focal company manages monetization and the costs necessary to sustain its ecosystem.

Marketing and customer-acquisition economics provide one possible explanation for differences in profitability among online travel platforms. Travel intermediaries compete intensively for high-intent customer traffic and may incur substantial expenditure on digital advertising, brand marketing, loyalty initiatives, and mechanisms intended to encourage direct platform usage. Teece (2018) emphasizes that complementary assets are critical to capturing value from digital innovation, while customer relationships, brand recognition, proprietary data, and direct traffic can function as such assets in online tourism markets. Data-driven personalization and improved interpretation of consumer behavior may consequently strengthen conversion and customer retention while reducing reliance on less efficient acquisition channels (Mariani et al., 2018; Xiang et al., 2015).

Differences in business architecture also contribute to the observed profitability gap because the three companies organize their supply relationships and distribution channels differently. Expedia combines consumer-facing brands with business-to-business distribution, Airbnb emphasizes a host-guest marketplace, and Booking Holdings uses a broad portfolio incorporating agency and merchant activities across several travel categories (Booking Holdings Inc., 2026; Airbnb, Inc., 2026; Expedia Group, Inc., 2026). Platform research cautions against treating digital intermediaries as economically homogeneous because apparently similar firms can employ different governance systems, ownership boundaries, pricing mechanisms, and relationships with complementors (Tiwana, 2014; de Reuver et al., 2018). Consequently, a lower aggregate net margin may coexist with strategically valuable diversification, while a higher margin can emerge from a more favorable mix of transactions, costs, and platform relationships.

Digital innovation creates further opportunities for improving operating leverage because large transaction ecosystems can support new products without requiring equivalent increases in physical infrastructure. Search algorithms, automated customer service, payment systems, personalized recommendations, supplier tools, advertising products, loyalty applications, and AI-enabled travel-planning functions can increase the economic value generated from existing customer and supplier networks. Nambisan et al. (2017) describe digital innovation as a process involving recombination across technologies and organizational boundaries, while Nambisan et al. (2019) show that digital transformation alters the mechanisms through which firms identify and exploit entrepreneurial opportunities. Nevertheless, technological expansion contributes to profitability only when additional ecosystem value exceeds the investment, governance, and operating costs associated with developing and maintaining these capabilities.

The profitability findings ultimately support a multidimensional framework for assessing online travel platform performance in which transaction scale, revenue conversion, and earnings generation must be evaluated separately but jointly. Booking Holdings demonstrated the largest ecosystem throughput and substantial profitability, Airbnb generated a comparable 2025 net margin from a considerably smaller transaction base, and Expedia improved earnings while maintaining a different margin structure associated with its diversified platform architecture. These outcomes are consistent with platform scholarship arguing that sustainable economic performance arises from the interaction of ecosystem scale, strategic positioning, governance, innovation, and value-capture mechanisms rather than from network size alone (Gawer & Cusumano, 2014; Parker et al., 2016; Cennamo, 2021). Accordingly, the 2023–2025 evidence indicates that managerial evaluation of online travel firms should integrate gross transaction volume with monetization efficiency, operating-cost discipline, business

mix, and normalized profitability to obtain a more meaningful assessment of platform financial performance.

CONCLUSION

The findings demonstrate that transaction scale alone does not determine the financial performance of global online travel platforms. Booking Holdings maintained the largest gross-booking scale and strongest revenue conversion during 2023–2025, while Airbnb achieved a comparable 2025 net profit margin despite operating with a substantially smaller transaction base. Expedia Group also recorded continuous growth in gross bookings and revenue, although its net profit margin remained lower than those of Booking Holdings and Airbnb. These differences confirm that platform performance is shaped by the interaction of ecosystem scale, monetization structure, business architecture, operating costs, taxation, and the capacity to convert transaction activity into sustainable earnings.

The study further indicates that financial assessment of online travel platforms should integrate transaction throughput, revenue conversion, and profitability rather than relying on a single measure of scale. Stable revenue-to-bookings ratios across the three firms suggest that recent revenue expansion was driven primarily by increasing transaction volumes, whereas differences in net margins reflected variations in operating leverage, cost structures, and business models. Managers and investors should therefore consider the quality of revenue and normalized profitability alongside ecosystem expansion when evaluating platform performance. Future research may extend this analysis by incorporating segment-level margins, marketing intensity, free cash flow, customer acquisition costs, geographic composition, loyalty penetration, and direct-versus-paid traffic to explain more precisely how platform scale produces long-term economic value.

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