

[Transcript] This Week in Startups / Booking Holdings CEO Glenn Fogel on travel industry trends, M&A, leadership, and more! | E1830

When you stop the larger companies from being able to buy those smaller, more nimble, agile new startups, that's going to create a bit of a problem in this whole system. Yeah.

And I don't think anybody in the FTC has thought this through, nor am I certain they even care.

But that is something that as an overall, as our society trying to create new and better things for all of us, that is something that we should all be concerned about.

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All right, everybody.

Welcome back to this week in startups.

Hey, just last week we had Kayak, CEO and co-founder Steve Hafner on the program and gave us a bunch of insights into the travel industry.

You may remember Kayak was acquired by booking.com in 2013 for \$1.8 billion.

So we decided to have on Steve's boss, Glenn Fogel,

who's the CEO and president of Booking Holdings.

Glenn joined Booking back in 2000 when it was known as priceline.com.

Wow, everyone, throwback to [priceline](https://priceline.com).

What was the name of the accelerator and the founder of that accelerator?

Created all the business patents around options.

Because J has, but you know, accelerator is not the right term really to use.

He had a vision to be able to create intellectual property that he could then patent and then have somebody else actually create the actual make the thing actually become real.

So it was, I guess you'd consider it sort of an idea manufacturing idea.

Yeah, Jay Walker, he had this laboratory and he came up with a bunch of interesting ideas, Walker Digital, right?

And so you've been running Booking for how long now?

Well, you know, I started, as you say, in 2000.

I became CEO of Booking Holdings, which is the holding of all the brands in January 1, 2017.

So it'll be seven years in a couple of months.

And I didn't then I take over also the role as CEO of our largest subsidiary, Booking.com.

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And that was in 2019.

And it's interesting you mentioned about acquiring Kayak, because when we acquired Kayak, it was the priceline group that acquired Kayak, not Booking.com.

It was just another one of the subsidiaries.

But we, you know, Booking has become so huge.

We started changing from priceline group to Booking Holdings.

Got it.

So what's in the collection of brands and companies now that you own in this?

Would you call it a conglomerate, a holding company?

Yeah.

Boy, I don't come up with what the term to call it is.

It is a collection of companies that work together to achieve a common goal, which is increase the value and provide great services to our customers who are part of Booking Holding.

So it's Booking.com, by far the biggest.

And then you have priceline known by many people in the States.

Also Kayak known by many people in the States.

You'd also something like a Goda that is outside based in Thailand and Singapore.

So that's known more in Asia.

Open table, of course, known primarily in the US, but also in UK and other parts of the world.

And then you go on.

There are many other brands too, but those are the main ones.

And how do you operate each of those subsidiaries?

Because this has always been the challenge because, you know, these different brands might want to overlap.

They might compete with each other on the margins.

And when a new idea comes to pass, you know, I don't know, Airbnb as a new concept, maybe they want to engage it.

So then you have what, what's the independence and command and control structure that works best?

Yeah, no, that's a great question because the organizational design thing is always interesting.

How do you give enough independence and incentives to make it so people feel like their owners and drive hard?

At the same time, you want to have enough cooperation in order to get the benefits of scale and make sure that we're not duplicating efforts, etc.

So it's a very fine line and it's changed over time.

At the beginning, the companies were extremely independent, but over time we've come closer and closer together, making sure that each company is aware and can try and use things that other people already have done and not recreate the wheel.

So it's always something that is changing.

But I think as of today, we have the right balance.

And so when you look at travel as an industry, you have restaurants, you have, I guess, flights and hotels, stays.

What else is part of that now?

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Because I keep hearing about experiences as a big component of this.

But do you have an experience, you know, layer?

I know Airbnb added experiences.

But it seems to me a lot of young people today, the big trend seems to be they want to work backwards from an experience, backwards from an emotional state, as opposed to maybe Gen Xers like we had a bucket list, we wanted to see Tokyo, we wanted to go to Barcelona, whatever it was, you know, a certain destination.

Is that how travel's changed as an experience based now?

Well, I think you have to be, again, language is important.

So I think what do we mean when we say an experience?

Because as you just pointed out, going to Tokyo is an experience.

What you do in Tokyo, though, you may want to go look at the Imperial Palace, right?

Now, we would think that as an attraction, because you're going to need to get a ticket or reservation and go visit.

So I think what you're more talking about is the attraction area, which we do have at booking.com.

And we also have an agoda.

And the interesting thing that you mentioned is, yes, we'll talk about that.

But I have yet to see anybody really start their planning by going and getting a reservation so they can go to see, let's say, the Anne Frank House in Amsterdam.

And generally, people will start, most people will start with they need to get flights to Amsterdam.

And then they'll think about, oh, and we have to find a place to stay in Amsterdam.

And then they may think at that point, oh, Anne Frank House is something that is hard to get a ticket, so I should get a reservation early.

That's the type of usual order people are going.

Sometimes there's a little other ways people may start with a hotel first.

But I almost have never seen people start with, let's make sure we get the tickets to the Anne Frank House first, and then we'll worry about the flights and the hotels.

Yeah, I've had that, you know, I get pitched on a lot of startups and a lot of startups seem to be wanting to try to tackle this space of, hey, you know, if you want to go kite surfing, if you want to go efoiling, if you're bike riding, et cetera. And I know there are some smaller brands around booking experiences and packages that way.

But is that sort of a trend that's emerging with these younger folks?

Or is it just something that young entrepreneurs are attracted to?

Because it sounds on paper like it's a good thing.

But you're saying people generally work backwards, yeah.

Well, that's because they like to do it.

And that's a lot of what drives a lot of you is why I like to do this.

And it's so hard to do it.

I'll come up with an easier way to get a reservation, to be able to do it

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and plan it, and that's why people are drawn to something like that. But then you have to think as a business person, you start thinking, what's the time of that?

What is the address of the market here?

And then you start thinking about what are the types of profit margins that could be gotten?

And you think, well, how am I really going to do this distribution?

And that's something where you see where when you look at what travel is, including things like attractions, and the numbers roll over the map pretty much.

So we're going to round off \$3 trillion globally is a nice number to play with.

Right? The portion of that, though, is that, as we call the attraction part, is a very small part compared to things like the accommodations business or the flight business.

So it's hard to build a really big business doing something that's just doing attractions.

That doesn't mean somebody can't have a nice business.

A business that could provide a good income and enjoy doing it.

OK, but you're not going to create a multi-billion dollar company that way.

In fact, there are some big ones already out there who they can get your guide.

You have ViTour, which is now part of TripAdvisor.

You know, called big players there.

And these companies are not worth billions of dollars.

Right. And those are and they've been around for a long time.

Am I correct that accommodations is the largest opportunity in travel?

That's where most of the dollars are spent.

Well, I think that's where most of the profits are.

But let's go about because flights don't make nearly as much money as accommodations do.

There's the fragmentation difference.

It's just the way you work in different countries where there are sometimes only a few airlines.

You get in the United States where airlines are not willing to pay any commission.

They don't feel a need to pay for distribution.

So it's the fragmentation of the hotel industry and the combination business that enables there to be an opportunity for somebody to be able to get a reasonable return on what they're what they're doing.

And to give people just a comparison,

booking holdings is one hundred and seven billion dollar market cap right behind that Airbnb at 82.

And then you got the married and Hilton's of the world, 58, 39 billion, Expedia way down there at 14 billion.

So you're I think the largest conglomerate in travel today.

Is that correct?

Yeah, by far.

And I would say that one hundred and seven to 82 to get from 82 to one hundred and seven.

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I mean, that's 25 percent sensually.

Yeah, it's I guess that's interesting.

I would be interested in your perspective watching the ascension of Airbnb and what an amazing job they've done over there and the loyalty.

Some people have to this market segment as a as a student of business.

When you first saw it, what did you what was your thinking of how big it could be?

And then how has your assessment of that business changed over time, if at all?

Well, I think look, I think Brian and his team have done a great job.

They really took what was an idea and some that was very much a niche business.

Obviously, people have been staying out of people's homes for a long time and there was couchsurfing and some other minor players and stuff.

But they really did something that really creates something that was scaled.

Now, what I really admire, though, was his foot is one way to put it,

because in many of the places that he did business was illegal.

Now, we at the time as a public company, we were doing we were doing things like Airbnb on a smaller scale, essentially, in terms of only doing it where it was legal in areas where we're allowed to do it.

So there's a difference.

There's a, you know, that this goes to who it said at first, this idea of, you know, move fast, break things and don't ask for permission, right?

Yes, for forgiveness.

Exactly. Exactly.

And that's something that Brian and team did and that's great.

And they built a business out of it.

They built an industry out of it.

That's great.

And I admire that being said, though, it's harder if you're a public company.

You got to be careful about doing stuff that's breaking the law.

And by the way, you see what's going on in New York right now, New York City.

Where it's always been illegal for the most part, for many of the areas of the short-term rental business to be doing it for less than 30 days.

And New York City, they finally have come out and they're actually really pushing hard on it with a new law, etc.

And that is, unfortunately, a lot of people who wanted to rent their properties on a short-term rental platform are not able to do it anymore.

What's your take on it?

Should people who own properties be able to rent them and compete in this market?

Or do you think it should be regulated heavily like, say, New York, and that's a better model or are you indifferent to it?

Each location can make their own decision based on what the community wants.

Well, I think your last point is the good one.

Look, there are a lot of stakeholders involved in this type of a business here.

You have, first of all, you have someone who has a property and they want to rent it out.

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So that's OK.

They own the property and they want to rent it.

But then you have, let's say, a traveler, they want to be able to stay there because maybe it's a better thing they need or a slower cost or whatever.

But then let's say it's an apartment building and you have people on the floor who live there and they don't want to have people coming in and out every night with roller suitcases, make noise and all sorts.

So you have those people to worry about.

And then you have the issue of, well, if that property is being used for short-term rentals, that means it can't be used for a long term resident part of the community.

So the issue of people, there's a shortage of housing and it's drying up the prices.

So you have a lot of issues going.

And then also if you aren't paying their taxes, where a hotel is paying a huge amount of taxes to the municipality through their taxes on hotels, but the short-term rental owner isn't paying the tax.

So a lot of complicated issues.

So the right thing to do really is you need to have all these stakeholders get together and come up with what is an optimal solution that best satisfies everybody.

Now, nobody's going to get everything they want,

but you come up with something that actually works best for everybody.

That's what you really need.

And that requires negotiation, discussion, et cetera.

And I think it's wrong to think there's an absolute here.

I, if I lived on an apartment building and I'm on that floor

and somebody next door is rented out and I got a bunch of people coming at one a.m., you know, loud banging around, I'd be really unhappy.

But if I own a property and I need that rental income to help me live there, well, I'd be really bad if I wasn't allowed to do it.

So obviously, conflicting needs.

Yeah, we have this controversy in Tahoe where there's not enough housing to staff the people who work there during, say, ski season.

But of course, renting the homes is highly profitable.

So a lot of the people who have homes put it into the Airbnb or in your cases, you have alternative accommodations.

You guys actually support the legal ones, sure.

Yeah. Yeah.

And so, you know, it's it's a balance.

And ultimately, it's just made people say we need to build more units.

Well, that's helpful too.

Yeah. I mean, at the end of the day, that is the issue.

So what impact has it had these alternative accommodations?

I guess VRBO is the other major player in that space between.

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And I think Hilton, do they also do like Hilton alternative kind of stuff now too?
I think I may have seen that in my interface.

Yeah, a lot of the big international chains are coming up with zero ways that they can offer a similar type property because they know people have certain needs. Like if you're a family and you want to have a kitchen, so the kids can have breakfast there and you want to have enough bedrooms that everybody's all in one space.

That's an understandable need that the chains realize that.

Hey, do we come up with a property that would fit that fit that need?

So everybody's getting into it.

Yeah. The question really is the question really is, we like about our company is that we offer everything because we know there are different needs at different times.

So maybe you need a hotel, maybe need a resort, maybe need a villa, maybe you need that ski chalet.

We want to be able to offer all the properties, all the different types so that the customer, the traveler can actually be able to find what they need for the use case they have.

Yeah. And you all of that is available through your common search.

You can see all those side by side.

And yeah, I mean, I'm exactly that way.

If we're going away for a multifamily trip, yeah, we're going to do an Airbnb, a VRBO, whatever.

We want five bedrooms, six bedrooms, all the kids are going to be together, game room, all of that's awesome.

But then if we're traveling just our family, yeah, maybe we just want to join in hotel rooms, it's fine.

And we actually prefer room service as a treat unless we're there for over three days, right?

So we have our own like internal algorithm of how we use this stuff.

Exactly. And you know, for me, it's like, if I'm going to a resort,

I really don't want to have to make the bed.

I really don't want to have to clean it.

And I really like the idea of a pool with a swim up bar.

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As we watch what's happening in AI,
what do you think will happen to interfaces?
You've spent your career for two decades on a web desktop interface, then going to mobile.
Generally, it's a grid.
We're all pretty good at putting search parameters in.
We're all kind of like our own little travel agents.
They used to have their own dedicated services that they used on a command line
to do fancy searches now that have that beautiful interface, whatever service it happens to be.
But do you think you're going to move to a chat interface where you talk to an interface?
Have you been playing with some of the early attempts at that?
Well, we have a thing at booking.com called our trip planner.
There's an AI trip planner that enables people to put in whatever they're looking for
and have itineraries spit out and accommodation choices,
and then be able to go directly into actually booking one of them.
So we have that.
And we have for our price line company, we have a thing called Penny,
where people who are almost ready to buy, they're on the buy button, ready to buy.
But maybe they have a question about the property.
So they can go to a chat button there, we call Penny,
that they can then get more information, save the trouble, go all the way back,
I'll try and find the content that matches up with what your question is,
and come back immediately with the answer.
And one of the most popular questions is, can I bring my dog to the property?
That's a real popular one.
Also, is the parking fee seems to be a very popular one too.
But that, so we have lots of different ways to do it.
But here's the thing, and this one has driven our company for over 20 years,
and I've been here, I mean, I'll be 24 years in a couple of months.
This is the idea that we don't know.

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We let the customer decide for us.

We'll experiment, we'll bring out new ideas.

We want to think that people want to use a chat box to do it, they want to use voice, however they want.

We will test and see what the results are, and then we'll scale once we get the signal that says this is the way people want to go.

What I think is going to happen is irrelevant.

My opinion counts for zero.

What matters is the data.

Yeah, what is the early data showing on that?

Do people enjoy the chat interface?

And then after they use it for a little bit,

they go back to the original one and then do the booking there?

Or will they actually book from a chat interface?

It's very early.

It's extremely early.

And I would not make any conclusions no matter what it's saying now.

We need to continue to develop this refinement and do it for some time before we'll have any definitive answers on any of these new ideas.

What's your take on Uber?

And they're dipping their toe.

Dar obviously has a big history in traveling.

You know him, I'm sure very well.

All of a sudden, I think you can book some flights.

You might be able to get some trains on the margins.

When you're in Europe, some experiments there from Uber becoming the everything app.

Like we see in Asia, you can do a lot of bookings directly from inside certain apps.

What's your thought on the everything app and Uber sort of dipping their toe there into travel?

Yeah, I think everybody looks at the profitability of a business like ours.

And of course, you'd be interested in like, well, maybe we should get into that area too.

That would not surprise me in the least.

We obviously, we have a ride capability.

We have, if you don't like to use a ride service, you could actually rent the car.

We have that too, which I really understand that.

Dar is looking at that too.

Again, it's money and capabilities flow to where there is opportunity.

Travel is an incredibly interesting space because one, it's still not as good as we all want it to be.

So people think they have a better way to do it.

And the second thing is people already there doing it not as good as it can be, are making good money.

And you know, you mentioned Airbnb and they bring me evaluation.

It's great.

And they are now finally profitable, which is great.

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We look at our EBITDA.

I mean, it is a very nice number that people see.

SAG, maybe we should do something like they're doing.

Oh, well, and yeah, your total revenue and income has been spectacular.

Q2 results, total revenue up 27% year over year.

And your income up 51%.

So pretty amazing.

And you're throwing off over a billion dollars in profits.

Yeah, it's a pretty nice business.

So are you on a collision course with Uber?

Do you think where the two businesses will have significant overlap?

Or do you think that's just going to be a side show for them?

I have no idea what Derek is going to do, what he wants to achieve.

I have no insight into his thinking,

turns out where he wants to go and his team.

I do know this stuff.

Every day, I know there are a lot of people who would like to take our business away.

And that's a great thing about markets.

So the competition drives us to create better services, better products, and produce better results.

And I love that part.

And that's a great thing about business.

It's like sports on steroids.

You're always trying to come up with a better idea and win.

So look, everybody, for 20 something years, people will say, isn't Google going to take away your business?

Right?

Well, they have to work together.

And you know, is Amazon going to take your business?

Is it always Facebook?

So the idea is that everybody who's big and has capabilities and capital is a potential competitor.

And we recognize that.

And that's why we have to continue to pry apart every day.

Well, let's talk a little bit about that competition.

You guys have done very well in terms of M&A.

But we are in an M&A unfriendly environment right now to say the least.

We have a FTC chair, Lena Kahn, who believes that she can reinterpret the law and make it so her approach is to protect future competition, as if she has a crystal ball and can tell what's going to happen down the road. So I'm sure you've watched some of the, she's put up a couple of L's recently with Microsoft and Activision, et cetera.

What's your take on what is a healthy M&A environment here in America

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and her recent tenure and approach?

Well, I think we should expand that as I'm sure you read.

You know, we were just blocked by the EU from doing our acquisition of a travel company called eTraveli that does flights.

Now, we do no flights back, we don't do the back end.

eTraveli does it for us and do it for many years.

We do the front end.

That's how we do our flights for booking.com.

We wanted to buy the chairs, acquire the company.

Wouldn't be that much difference really, except we would then be able to have one management team

driving the objectives, the goals, and all drive the same way.

The EU said that even though we didn't have a flight business of our own, even though they said it would only increase our hotel business, which is a bigger part of a big part of our business, increase it one to three percent.

And that's there.

There, the wider loan voicing than that, they said you can't do it because that will potentially foreclose future competition, the way you're talking about it, the way Wisconsin talks about it.

So I believe here's the thing is, first of all,

we need to always have rules and regulations to make sure that everybody's playing the game fairly and it's treating all players in the right way.

You don't want to have sports where there are no rules and how would the sport work like that?

But the problem is when people start trying to change what the rules are in the middle of the game without having any sort of public discussion or legislation coming up with new laws, etc.

I think that's why you mentioned the FTC losing some cases in court in the U.S.

is because there's no law that actually supports that.

That's just one person's idea how the world should be.

And that's not the way the democracy should really do things.

I am okay if a democracy says we should change the law to be X.

Well, that's why we have a democracy.

That's it.

I mean, disagree with the belief that that's really going to make it better for the society, but at least it's done in a legal and constructive way.

That's the thing that I think we should all be most concerned about.

And when you get blocked from buying this company, which was not a huge purchase, I don't believe, it was almost \$2 billion.

Yeah.

So I mean, 2% of your total, it's \$2 billion is a lot of money, but it's 2% of your total market capital S. So it's not huge.

It's a two quarters of profits for you or less.

So it wasn't a huge one, but now you're left with, well, you could just build it.

I mean, that might take time.

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And so maybe you could speak to if M&A is turned off, then what are the larger players left to do in the marketplace, but just rebuild the functionality of some of these other smaller entities? And so is that your plan?

Well, I don't know.

I'm not going to discuss where our plans are, but I think you make an incredibly important point to this.

And that is how much of the innovation cycle has been people coming with ideas, getting venture capital.

We're willing to invest because they expect to get a good return, or hopefully to get a good return.

And a lot of times that return comes from building that company and then selling it to a much larger company that has capital and doesn't want to buy the building itself. It has been a very efficient way for capital to build and help create a better society, so new inventions, et cetera.

When you stop the larger companies from being able to buy those smaller, more nimble, agile, new startups, that's going to create a bit of a problem in this whole system. And I don't think anybody in the FTC has thought this through, nor am I certain they even care.

But that is something that, as an overall, as our society, trying to create new and better things for all of us, that is something that we should all be concerned about.

Okay, enterprise founders, you're listening to me right now.

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Why is it going to be so simple with LinkedIn ads?

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LinkedIn means business, business means LinkedIn, and they've solved this problem.

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They're not thinking about travel, fashion, politics, dance crazes,

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whatever the other social networks provide to people, no judgments.

Business equals LinkedIn.

LinkedIn equals business.

That's where you want to do your business to business marketing.

That's where you start that journey and you get in front of decision makers.

So I'm going to make it super easy for you.

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The gold medal, as far as venture capital goes, is, of course, the IPO, a large sustainable company.

Hey, but silver is M&A and bronze is some combination of liquidation or selling of assets, right?

Those are the three ways or maybe dividends, I guess.

Not that VCs play for that, but some sort of sustainability.

Yeah, and if you take out the silver medal, I mean, it really does put a hamper on venture capital, then limited partners don't want to be in VC funds, and then VC funds don't make as many investments, and we're slowing down innovation.

If the company does get bought, it's because it can't go public and or it's gotten a great offer in the private markets.

Either way, it's a sign of a functional market here.

If the goal is to have a functional market, taking M&A off the table is just a crazy disastrous thing to do in my mind.

Well, we'll state it, and I would add, even we should just point out it may not be as aware. The number of IPOs actually is a tiny, tiny fraction of the companies that are actually bought by another company.

And when you start really causing a difficult problem for companies to buy another company, not even to stop them, but some of the new rules coming out in terms of what their requirements are that have been put out as proposed rules, they're not out yet, but they are proposed, they would make it much more difficult to go through all the processes of buying a company.

That is creating barnacles on the boat, slowing the boat down.

And that is just not what we want if we want to have a thriving entrepreneurial set that's going to continue to build out new things for us.

How has travel changed in the last 20 years?

What are the major themes of how people travel and how often they travel?

We're starting to see this nomadic lifestyle.

I see a lot of young founders who I invest in who will tell me I'll be in Mexico City for

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three months, and then I'm going to be camped out in San Mateo near you in the Bay Area.

And then I think we're going to wind up in New York after that.

And I'm like, wow, it's great to not have kids, I guess.

But what are your thoughts writ large on the travel industry?

Because I see both of these high and low experiences all over the place.

Like this Amon Hotel six-star experience is just extraordinary to watch that.

And I got to stay at the Tokyo Amon once and was just blown away.

And then you have this nomadic lifestyle and the work from home lifestyle.

What are the major themes right now?

So those are all great things.

I mean, who doesn't love it if you're able to have the opportunity to stay at some of these incredible luxury places nowadays.

And of course, being able to work from anywhere and just pick up a sound,

I do my work from Mexico City next week, that's great too.

But it's really important to understand.

We're talking about a tiny, tiny fraction of the people who do that.

So we talk about it.

And if we live in a small bubble that is filled with people who make a lot of money and are part of jobs, they can go anywhere, that's great.

But that's not what the world is.

The world, the world of travel is mostly people who don't get to travel that often.

Can't afford a middle income because that's where the whole term middle comes from because that's the middle.

And that's where it is.

And it's not being all say, I'm going to work.

Nobody who works on the UAW line is telling their shift supervisor,

I'm going to be helping put together F-150 from whatever.

And when people talk about stuff like that and it's popular, that helps drive a lot of unhappiness.

Because it's the question of why is it my life like that?

Yep.

But that's a very small part of life.

So really what some of the trends are though, and this is a trend that's going for a long time, is that people are getting wealthier so they can travel more.

Which is great.

People are definitely looking to explore different places that they hadn't gone before.

Once they've already done the things that they've done,

but if you can travel more, there you go to a different place.

That's nice to see.

But I'll tell you, I hear about some of this stuff like everybody's going to work from everywhere.

And I'm saying, you just got to take a step back and understand how the world really works.

Yeah.

I described the top 5% of elite people who have flexibility

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because they work behind a keyboard and can tell their bosses are so scared of them, losing their talent that they can work from wherever they like.

But we do see in the United States, you brought up auto workers.

I think it's really interesting.

I'm curious to take, since you do have strong opinions,

about the fighting for the 32-hour work week in China.

They work 58 hours a week on average, 56-58 hours a week on the automotive factories.

Here, they're lobbying and it looks like they're going to get the 32-hour work week, which is really interesting when you think about Henry Ford setting up the 5-day work week, the 40-hour work week to give people the weekend to go drive their cars.

Now we're talking about maybe a 3-day weekend.

Hey, that sounds like pretty good for you.

3-day weekends mean you can leave Thursday, come back Tuesday morning, and maybe have a 3 or 4-day weekend could be quite nice for a little extra incremental travel.

So what are your thoughts on maybe people working these 4-day work weeks?

Well, you're definitely right in the sense that the people who can be able to work from away from their main office, oh, we in the travel industry, we're fine with that, because we do get the benefit of that.

But we aren't filing for that.

We're happy about that.

But I think your point is a great one about Henry Ford, which really did popularize that 5-day work week, which was formerly six days.

And it's interesting when you think about it, because a lot of people said, well, this is the end of the world almost, and it actually ended up being actually a good thing.

And there have been people for a long time who have been predicting that the amount of leisure would increase substantially as because of automation and things to be easier.

Yet, what we saw over the last couple of decades, actually, the average number of hours being worked in the US was actually going up, not down, which was an interesting phenomenon.

Other parts of the world, though, it was going down.

But then as you brought in correctly, China, people do work longer hours there.

Again, it's one of those things where I don't know how it's going to play out.

I do know, though, I do know this, though.

People who are ambitious and want to get ahead, they don't necessarily look at how many hours they can have to work.

They look at what can they accomplish and when can they get it accomplished by.

And those are the achievers who are really helping to move the ball forward.

And I love that.

But I recognize many people, they want to have a balanced life.

And I get that totally because, look, I'm not, I don't need to be the top.

I just want to have a good life, which includes a good job that I enjoy,

that has a mission that I feel comfortable with that pays me a reasonable fair wage for.

And then I also have time to spend with my family and friends, too.

That's great.

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And it's a balance.

The issue will end up, though, in terms of efficiency and productivity.

And now, with the ability to do work from anywhere for knowledge workers, which you really can do anywhere, are these wage arbitrage problems going to get even worse?

So in the US, we saw what happened when a lot of industries that were done in the US got transferred to other parts of the world because of wage arbitrage.

So take, for example, textile industry or furniture maker or something gone.

And what happened to those people?

Now, moving ahead, now we have the issue of knowledge workers.

So are we going to end up where you have a lot of knowledge workers are being done in other parts of the world and people who were in the US had good jobs are now, unfortunately, at risk of this?

And then throw on AI on top of this, Jason.

And we haven't even more important questions.

Well, there's a great segue.

A lot of what you do is customer support, customer happiness.

People buy a flight.

They buy a hotel.

They buy an experience.

They need support.

They have questions, et cetera.

And that seems to be the place where these language models and AI just really shine.

So much of the discussions on customer support are repetitive and can easily be done.

I don't know if it's 90% or 60% you would know better than I in travel of what can get accomplished with a frontline language model.

What are you seeing on the ground?

And you are a global company as well.

You get to place jobs wherever you want.

So where is work shifting to?

I know Manila and India were places people moved a lot of business process outsourcing.

But it seems that anything that could be business processed outsourced is going to be language model outsourced next.

So your thoughts?

Definitely.

Definitely.

I think that is strongly a primary use case of these large language models is exactly what you're talking about.

And the industry, how that plays out for the people currently that's their subsistence.

That's how their families are living using and doing those jobs and what's going to happen to them in those places.

So these are very interesting societal problems that are going to happen.

And what's unfortunate is the change is going to have much faster

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than other changes have happened in the past.

Now we go back to the Lulites and the Looms.

Well, that was a many decade transfer of people who were doing that.

And if you look at agricultural workers moving to the city of urbanization within 100 years.

So that movement over time in different cultures, different areas.

This thing is going to happen extremely rapidly.

And it's not just...

And by the way, it's not just the large language models doing your outsourcing process.

It's things...

Take for example truck driving.

And how many people in the US make a living driving a truck?

I don't know, 3 million?

I'll make a guess about that.

It's double that, I think.

Yeah, I think we have close to 30 million people work in trucking or cashiers and retail.

And so those two areas seem to be the ones that people were most concerned about.

Yeah, trucking I think is like 6 or 7 million.

Okay, so take trucking and once we get...

Which is not a large language model, quite so, but it's AI.

And you have self-driving trucks that are actually more efficient certainly safer.

So many things.

What happens to those people?

If you're a 50-year-old long-haul truck driver, what are you going to do?

Hi, thank you very much for playing.

Well, you're 15 years from retirement.

And what we're going to retrain you to do what?

And who's going to do the retraining?

Who's going to pay for that?

Yeah.

These are really important issues to be thinking about that I hear people mention saying the question, but I'm not going to talk about what the potential answers to this are going to be.

Yeah, and you are right.

It's actually 3.5 million actual truckers.

And then there's their support staff, I think rounds it up to about double of that.

And this is something that's probably in the next 10 years

going to be completely automated and certainly having a driver in the cab,

but maybe they can go a 12-hour shift or the car could drive for 24 hours and

they just get woken up and they can actually sleep in the cabin as some of the ideas I've seen about it around.

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But yeah, I guess we're relying on hope as opposed to a good strategy.

Yeah, hope is not a strategy.

Hope is not a good strategy.

Definitely not.

You've been at this for 20-plus years.

You've watched a couple of generations go through, I believe you're Gen X like me.

I'm 61.

You're a boomer.

You look great for a boomer.

Are you looking to build a SaaS product?

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When you look at Gen X, Gen Z, Gen Y, you've got these three groups working for you now.

What do you see in terms of the hustle and the desire to really aggressively build businesses, entrepreneurship, capitalism, and then what's your philosophy for managing talent given, hey, you've got three different generations, four different generations working for you, and all likelihood some boomer's still there.

And how do you manage them? Do you manage them differently?

Or do you find some themes going across those generations over the last couple of decades?

So I think what's interesting is every generation always thinks they have it harder,

and they always work harder, and they were more common sense, and every generation after them

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is dumber and doesn't work hard. I mean, I think that's probably, if you went back to ancient Greece, you could probably find something like that, where like, Sophocles, Plato, I was like, no, thank you so much for going up that line.

This next generation.

Yeah, exactly, exactly.

Every generation is always going to have people who really want to achieve something, and people who are slackers, and the idea of coming up with a label for an entire generation to me seems foolish. When matters seem to be now, there are certainly, though, there are some themes

that we do have to think about, where I will say that I believe that when I was growing up, and again, I sound like the old, you know, curmudgeon type guy, but I do believe people care to just get in a job, get a job. I never thought, and I don't remember if I ever did think too much about a calling. I need to work as a mission. I just want to have a job, please.

Yeah, I look back at it, I probably was wrong because people became doctors, they came doctors or nurses to try to help people, right? Or teachers, because I wanted to help them teach and all that. Maybe I was one of the few people just, I just wanted a job. I don't know.

But I do see that is important nowadays in terms of retaining talent, attracting talent.

It is helpful if you do have something you can tell people why doing this job is going to be something that is good, a mission. And it's really helpful. That's why I like working where we work and travel, because travel, I can say, we have a mission to make it easier for everybody to experience the world. That is a good mission. I'm not out there to poison anybody.

I'm not out there to give anybody some sort of a drug that's going to make them addicted.

I'm not creating weapons. We're doing something that's going to make the world better.

And I believe it. I know it to be true. So that's helpful when I tell people that.

That's one thing. And I don't think this is anything better, a different generation. I think everybody should have managed in terms of treating people with respect, listening, instead of telling.

I think there are a lot of things that it's kind of a generational thing. It's a good manager versus a bad manager. And maybe there are more bad managers than the best, I don't know.

Okay, well, there you go. It's been definitely confirmed. I mean,

the whole concept of managerial science and maybe even companies having too many managers and not letting people ascend in companies fast enough. It was always seemed to be, for me in my career, being told to wait in line, which felt untenable. And it's kind of nice now. You have a lot of startups. People can join and they can go as fast as they want in their careers.

But what do you look for in your lieutenants? You seem to have a pretty good group of lieutenants.

And where did you learn your techniques? I know a lot of you worked with Barry Diller back in the day. And I'm curious if you had mentors or a management philosophy for the lieutenants specifically, because you have this group holdings and they have to have some amount of autonomy and some amount of working together, you mentioned. So how do you pick your lieutenants?

How do you manage those lieutenants? Well, I've never worked for Barry, but I do admire what he's achieved and what he's achieved and accomplished. We do have somebody who actually does work for

who did work for Barry, our head of global communications. And I think she probably did

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learn a lot about communication because Barry is a great communicator. Look, it's always important to be able to delegate and trust that the person you delegate is going to do it.

It's much more important to tell what we want to accomplish and how and discuss that, but not spend

too much on the how and let their job is the how to get it done. Again, these are kind of management 101. So you look for people who've seen that they would be able to do that. A sense of curiosity is always important. That's something that I really believe that people who are curious or people are going to continue to explore new things, different things, look at things from a different way. Somebody who's just willing to do something that's just, you know, I'll do whatever you tell me. That's not what I'd be looking for. I'm actually looking for somebody who'll question what I think and come back to me and convince me I'm a very open person about things, convince me

I'm wrong. They're right and we should do it their way. I'm like, good, go, do it.

Yeah. So managing to a clear outcome. Hey, we're trying to grow at this pace. Company grows 30%. This is an emerging unit. You should be growing faster. And we want an NPS score and we want the lighted customers. So those are the two outcomes. How you get there, let us know, but you want to manage. Even more so, even more so, I am more than willing to discuss those goals and are those reasonable, achievable. What are the inputs that are going to require to make that happen?

I can come up with what I came up with those and here's what I think. And I'm more than willing to hear, Glenn, where you come up with is not possible. Here's what and listen to their reasoning.

So that's a real important thing. Just telling somebody achieve these things, go do it and enjoy.

If it's not reasonable, if it's an unreasonable request, you're going to have a big problem.

Hmm. Yeah. You guys got absolutely smashed like all travel during COVID. 40% stock dropped just over, you know, in 30 days. What was the peak pandemic like for you as a leader?

What did you learn from that experience? Take me back to February, March, April of 2020, if there's not too much PTSD from it. Right. No, it's not. And here's the thing is,

look, there are only a few things that are good about getting old.

Only a few. One of the things is that you've had the experience of something already, so you kind of know how things are going to play. So this wasn't our management team's first time at the rodeo. You know, we had been 9-11, which shut down business in the U.S. We had been in Asia, with SARS at round one in 2003 to that was shut down stuff. I'd been around for the financial crisis where it looked like, you know, recreation in 1929 to 1938, nine, whatever you wanted, whatever you wanted to do, the Great Depression. So this was not the first time there was a, you know, a disaster. I had seen negative revenue before for a thing, where you actually have more refunds than you've got new revenue coming in. Wow. So, you know, so, you know, the worst thing really was living in the New York area was the business is knowing people who are dying and dying. That was really sad. That was tragic. Certainly from the business point of view, when you have to let people know that, I'm sorry, you haven't done anything wrong at all. But we're going to have to let you go because we don't have the business for this size of the operation. Now, the great thing is though, at booking.com, we delayed that. We did not lay anybody off until the end of 2020, which fortunately enough, enough of other businesses, other parts of the economy said, come back, enabling those people to be able to find another job somewhere else. So during the worst of the pandemic, we kept everybody at booking.com.

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Yeah. So that was a good thing. But again, just telling people that I'm sorry, you have to leave, but it's not your fault. That's tough. Yeah, that is. That's always tough. And you've been through it a couple of times, 2001, 2008, great financial crisis. Yeah, all of that was super brutal. Here's a great quote for you, Glenn. The children now love luxury. They have bad manners, contempt for authority. They show disrespect for elders and love chatter in place of exercise. Children are now tyrants, not the servants of their households. They no longer rise when elders enter the room. They contradict their parents, chatter before company, gobble up dainty's at the table, cross their legs and tyrannize their teachers. Socrates.

There you go. There you go. Did you just pull that? Did you just pull that from chat, GPT? No, you know, I got two producers listening live, making me seem really smart. But when you pointed it out, they jumped to find if they could find a great quote about it. And they did. Listen, continued success. Thanks for sharing with us how the business is going and all your philosophies of this. I would love you to come back again, maybe next year, and continued success with the incredible juggernaut that you have built and you've shepherded through all these storms. Congratulations on your success. Very kind. Thank you. It's because not me, it's 27,000 colleagues working together to create what has become a successful operation. But also, congratulations to you on what you've accomplished over the last 20 something years, which is pretty impressive. Oh, yeah. Well, you know, I've just got lucky 12 times. If you keep shooting, from what I understand, if you keep shooting, sometimes it goes in the goal. Somebody was asking me like, wow, you've been early to these five trends. I was like, you missed the five trends in between each of the five trends that actually landed between blogging and podcasting and angel investing. There was an entire series of failed attempts. But as best as I can tell, if you're of action in a great vibrant country like America, good things will happen. So I always just advise people to try things and keep at it, right? And you should keep refining your skills. This has been amazing. It's a good thing you did. Well, thank you very much.

All right, we'll talk soon. And they have a folks plan.