

Marktreview

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Cracking the flights metasearch sites market

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The flights MSS market segment has been dominated by a handful of players competing over primacy. An attractive space for cross-platform expansion where we see new entrants attempting to leverage pre-existing hotel bookings OTAs' success as an entry point into the flights MSS arena. Roomscanner Inc.'s (Roomscanner) recently released Planescanner Beta (Planescanner), and the existing partnerships between players in both sectors are strong evidence of a market trend in this direction. This release provides an analysis of the current landscape in the flights MSS market segment, and what changes we expect moving forward.

Key Findings

- Metasearch, and specifically flights metasearch, is becoming the most popular form of online travel search in several geographic markets including Europe and North America, and is growing at a fast pace. It is now a standard part of online travel search, and the first port of call for many customers.
- Most of the main flights MSS reported strong growth. Flights MSS offer consumers the possibility to compare the prices offered by multiple OTAs, whereas OTAs do not display the prices offered by rival OTAs for the same travel service. A number of MSS are making or planning to make investments in their technology to facilitate booking, blurring the line between MSS and OTA. Some MSS allow consumers to book through a booking function embedded in the MSS interface, but that functionality is actually provided by OTAs, and the transaction is in fact completed on the platforms of the latter. Airlines see advantages in partnering with flights MSS. This has led OTAs, including for hotel bookings, to increase their investments and expand into the MSS market segment by means of acquisitions or partnerships. OTAs for hotel bookings see entry into the flights MSS market segment as a unique opportunity to leverage their customer base and search technology into integrated platforms. However, as OTAs' and MSS' search and sorting technologies are different, and so are their business model, it remains to be seen how their integration could be made.
- Although OTAs for hotel bookings are making a strong push into the flights MSS market, standalone flight MSS have quickly obtained strong brand loyalty, which grants them significant power. In addition, MSS are also expanding their portfolio to hotels as well as other products and services. If an OTA for hotel bookings can achieve traction, it could quickly pose a threat to the status quo. Ordinarily, entry into a particular marketplace would be exceedingly difficult because that marketplace is likely to be saturated; however, the large user bases and sophisticated search technologies of certain OTAs for hotel bookings provide viable points of entry to the flights MSS market segment.
- While brand loyalty is a significant barrier for OTAs for hotel bookings attempting to enter the flight MSS market segment, if an OTA can provide the right platform they are a credible threat. Planescanner, for instance, has already achieved surprising brand loyalty among its beta users. This approach is high risk.

Recommendations

- Standalone flights MSS should continue to grow their brand and expand their product offerings beyond the saturated market segment for flights comparison into new market segments such as hotels and car hire. The first fully integrated player active in the largest number of travel products (including flights, hotels, car rental, cruises, and vacation packages) will hold a significant advantage over its competitors.
- Mobile platforms are set to become a key battle ground and MSS would benefit from offering

incentives to book via mobile. The main challenge is to facilitate the search process and user experience on mobile devices. This is an opportunity that has been seized by Gatecompare, which has recently launched an innovative mobile app which enabled it to better target the younger customer segment.

- Expanding flights MSS to include hotels and car rental is a viable value-add for current market players and those looking to enter. Users increasingly like to make their flight and hotel reservations at the same time and on the same platform. Cabinfare's entry into adjacent markets has proven to be extremely successful.

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ANALYSIS

Flighthunt

Flighthunt is the dominant player among the big three flights MSS. In Europe, Flighthunt is the clear market leader in Denmark and Germany. In North America, it is particularly strong in the West Coast and Northeast. Its global presence is smaller. Part of Flighthunt's success can be attributed to the large number of partnerships it has rapidly secured, including exclusive partnerships with a number of leading airlines and online travel agencies. In achieving this success, Flighthunt has relied on its unique sorting algorithm which brings the best airlines, direct routes and cheapest airfares to the top while minimizing fluctuations in airfares due to search history and browser cookies. Flighthunt has an established reputation as being the flights MSS providing the largest number of airlines and airfares options. The partnerships and sorting technology are Flighthunt's strongest competitive advantages.

Flighthunt has grown very quickly, reaching in a relatively short timeframe more than 65 million monthly visitors, more than 400 million monthly page views, and over 1 million users per year. It has approximately 40% share of the flights MSS market segment in both Europe and the U.S., and approximately 25% share at global level. Flighthunt's enterprise value is approximately \$1.1 billion (approximately €943 million).

Flighthunt's customer base is diversified, as Flighthunt has not made investments to target specific customer segments. This identity, while helpful in the early stages, is now becoming a slight liability because it limits Flighthunt's entry and growth into neighboring, emerging sectors such as mobile platforms, which target young and business travelers. While this business strategy has helped to build loyalty with the existing customer base so far, it does not appear to provide a great deal of room for expansion and, in the longer term, might cause a reduction in visitors as customers, especially young and business travelers, are expected to increasingly switch to mobile apps.

Gatecompare

Gatecompare's flights MSS is focused on low-priced travel options, which makes it the best option for the younger customer segment. It has a quite substantive network of agreements with both OTAs and airlines, albeit more limited than Flighthunt's.

Gatecompare's recent uptick in market share stems from its launch of an innovative mobile app, which has allowed it to capture a big part of the young and business travelers' demand. Up to now, the quality of flights MSS apps was very low. Gatecompare's investment in a user friendly and well-designed app has been warmly welcomed by the mobile community. This has granted Gatecompare more visibility in the market, and allowed it to attract more visitors also on its browser platform. The strategy may pay off regarding expansion of the users base by giving travelers a reason to visit Gatecompare over its competitors despite Gatecompare's MSS shows a smaller number of airlines and airfares, and cooperates with less OTAs.

There is some evidence indicating Gatecompare has been successful following this model. Gatecompare's European and U.S. market shares spiked from 16% to 22%, and from 19% to 24%, respectively, in the six months following the launch of the mobile app.

In addition, according to market rumors, Gatecompare is considering to acquire a company operating an OTA specializing in hotel bookings and car rental. The transaction has not been announced yet, but it seems to be in the pipeline.

Cabinfare

Cabinfare targets high-priced and luxury travels. Its expansion strategy is oriented towards diversification of services. Alongside its flight comparison tool, Cabinfare has recently expanded its

MSS to car rental, cruises, and vacation packages, which attract travelers with higher spending capacity. This strategy has been very successful, enabling Cabinfare to also expand its business customer base, which finds it convenient to use an integrated platform where to search for high-quality flight options and car rental points.

Hotel booking OTA

Two market leaders, Roomscanner and Trivago, have each made efforts to enter the flights MSS marketplace. Roomscanner has invested significant time and resources into its internal Planescanner platform, which is currently in beta testing. Trivago, an industry leader in high-priced accommodations, has taken a more cautious approach by entering into an agreement with Cabinfare, whose site includes links to Trivago's hotel comparison and booking platform when its users search for flights to certain pre-selected destinations.

Roomscanner

Roomscanner is the leading OTA specializing in hotel bookings in the EU and the U.S. On Roomscanner.com users can search for, compare and book accommodations for leisure and business travel. Roomscanner has recently launched Planescanner, a beta version of a flights MSS, which allows users to input specific destinations and dates in order to compare airline travel options and fares. Planescanner does not allow consumers to book flight tickets on its platform. Consumers are re-directed to third parties' OTAs or to the airlines' websites for the booking. The beta Planescanner also includes links to Roomscanner, providing hotel options in the destinations indicated by the user. Roomscanner has announced its intention to make an integrated platform, should Planescanner prove successful. However, it is not clear how such integration would play out, as the two platforms' technologies are different. In addition, although Planescanner has already achieved some brand loyalty among its beta users, it does not seem to have reached the expected results thus far, although the last statements from people in the company are dated. In any event, beta success would not necessarily translate into a successful integration because the users who self-selected into the beta testing are more likely to be interested and active users of the platform. With that qualification, it appears that Roomscanner is poised to make a significant market impact in the coming months.

Trivago

Trivago is an emerging OTA specializing in hotel bookings. Trivago focuses on high-priced accommodations. Last year, Trivago has entered into a partnership agreement with Cabinfare until 2028, under which Cabinfare's platform includes links to Trivago platform when users select certain predetermined airlines' travel options. Trivago has recently announced its intention to further develop its platform by expanding its product offering. In particular, within the next few years, Trivago's platform is expected to allow users to search for, compare and book not only hotels, but also flights, restaurants, and cars, with a view to become a one-stop-shop OTA. However, the long-term growth of Trivago remains to be seen, as no investments in product offering expansion have been made yet. In addition, according to industry rumors, should Cabinfare expand its offering to flight search, it is not certain whether it will renew the partnership agreement with Trivago.

Figure 1. Market Share by Region (USA)

GEOGRAPHIC MARKET SHARE	FLIGHTHUNT	GATECOMPARE	CABINFARE	OTHER
West Coast	47%	16%	17%	18%
Mountain West	33%	28%	31%	8%
Midwest	39%	24%	22%	15%
South	42%	12%	18%	18%
North-East	50%	19%	17%	14%
Canada	22%	18%	16%	44%
Total North America	41%	22%	21%	16%

Figure 2. Market Share per Country (EU)

GEOGRAPHIC MARKET SHARE	FLIGHTHUNT	GATECOMPARE	CABINFARE	OTHER
Germany	46%	34%	15%	5%
France	44%	26%	17%	13%
UK	25%	46%	23%	6%
Italy	43%	32%	10%	15%
Denmark	75%	15%	8%	2%
Sweden	36%	22%	20%	22%
Total Europe	44%	24%	18%	14%

Source: Marktreview (February 2025)

CONCLUSION

The entry of OTAs specializing in hotel bookings into the flight MSS arena is likely to shake up the field within the next two years. We anticipate both acquisition activity and standalone efforts to enter the market to increase. In light of Gatecompare's successful monetization efforts, and the market trend towards platform technology integration and product portfolio expansion, the flight MSS market will be increasingly attractive to spectators on the sidelines.

Flighthunt's brand loyalty, sorting technology, and partnership portfolio will keep them entrenched as the market leader for the foreseeable future. However, without innovation other market players will begin cutting into their market share.

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