

Priceline buys Seattle hotel marketing startup Buuteeq

by John Cook on 6/10/14



Left: Buuteeq CEO Forest Key

Below: Members of the Buuteeq team in Seattle



Buuteeq, a Seattle startup that powers the Web sites for hotels around the world, was acquired today by Priceline in a deal of undisclosed size. Buuteeq will continue to operate as an independent business within The Priceline Group, joining other units such as Booking.com and Kayak.

“We are delighted to welcome Buuteeq as the newest member of The Priceline Group,” said Darren Huston, President and Chief Executive Officer of The Priceline Group, in a statement. “Buuteeq has built an innovative, cloud-based marketing platform that we see playing a key role in helping us deliver even more value to our global accommodations partners worldwide.”

Interestingly, three of the top execs at Buuteeq — Key, Cameron Steele and Adam Brownstein — grew up in the heart of Silicon Valley, attending Palo Alto High School in the late 80s. In addition to Brownstein and Key, the company was co-founded by former Microsoft manager Brian Saab.

The company raised \$10 million in funding in 2012 from Madrona Venture Group, Concur Technologies and others. That followed \$5 million that had previously been invested in the company, including cash from angel investors Geoff Entress, Mike Galgon, Andy Liu, Kelly Smith, Jeremy Irish and others.

Buuteeq recently moved to larger offices in Seattle’s Lower Queen Anne neighborhood. It employs about 200 people, including operations in Chile where co-founder Brownstein is based and Palo Alto, Calif.

Buuteeq charges customers a monthly fee to use its service, which includes everything from Web site creation tools to an online booking engine to SEO offerings. Hotel customers range from small bed and breakfasts like The Greenlake Guest House in Seattle to the 500-room MGM Grand hotel in Vietnam.

Key came up with the idea for Buuteeq in 2010 after he struggled to find the Web site of The Datai Hotel in Malaysia and wondered why there wasn’t a better way to discover unique hotels online.

Shares of Priceline are up more nearly 50 percent in the past 12 months, with the company now boasting a market value of \$64 billion. The Norwalk, Conn.-based company posted a gross profit of \$1.4 billion during the first quarter, a 39 percent increase over the same period last year.

Madrona’s Tim Porter, an early investor in Buuteeq, said the acquisition was a fantastic outcome for employees and shareholders. “Buuteeq will complement Priceline’s existing efforts in hotel marketing solutions and is strategic to Priceline’s plans over the next several years,” Porter said. “We are also very pleased that all Buuteeq employees became employees of Priceline, and Priceline will continue to invest in building the Buuteeq headquarters here in Seattle. Forest and the team have done a tremendous job successfully building the business to this point. This was a real win-win for all involved.”