

Duff on Hospitality Law

OTA & Travel Distribution Update: Indian and South Korean regulators examine practices of online platforms; Sabre launches content services for lodging; Expedia holds off on charging commissions on resort fees for now

By Greg Duff on 7.3.19 | Posted in OTA Update

This week's Update highlights two additional countries' efforts to investigate alleged abuses by powerful global online platforms, including widely used online travel platforms. Enjoy.

Indian and South Korean Regulators Examine Practices of Online Platforms

("Competition issues in e-commerce the focus of study by Indian antitrust regulator," MLex Insight on Jun 28, 2019)

Regulators in India and South Korea separately announced plans last week to study the practices of global ecommerce platforms (including those serving the travel industry) and their effect on local competition. Both studies include examinations of the relevant markets and the business models and practices, including contracting practices, of the largest players. Initial results of these studies are expected as early as the end of August.

Sabre Launches Content Services for Lodging

("Sabre broadens hospitality offerings with retail push, new lodging APIs," Phocus Wire on Jun 27, 2019)

Travel agents seeking options beyond traditional GDS content will soon have the ability to view property and rate information from the major global online travel agents on a single screen. Through the Content Services for Lodging API, Sabre will be able to offer its agents direct access to the millions of property listings and rates available on Booking.com, Expedia and other channels. From my outsider's perspective, this is yet another example of how the many historically diverse distribution channels are becoming increasingly impossible to distinguish. As these channels become commoditized (as they inevitably will), will it simply become a race to the bottom in terms of fees and commissions? See the story below.

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Expedia Takes a Different Approach – For Now

("Expedia Group Rules Out Charging Commissions on Hotel Resort Fees," Skift Travel News on Jun 24, 2019)

As hoteliers continued to consider the appropriate response to Booking.com's much publicized (and soon to be enforced) decision to charge commissions on resort fees and other similar charges, many held their breath while waiting to see how Expedia might respond. That wait came to an end early last week when Expedia announced its decision not to charge commission on resort fees, but to instead downgrade the sort order of hotels that maintain the mandatory fees. While how Expedia's sort order downgrade might ultimately manifest itself remains unclear (time to check those contracts), those fearing an industry-wide push by the largest of global distributors to expand their commission base can breathe a sigh of relief – at least for now.

Other news:

TripActions, A Corporate Travel Startup That Rewards Road Warriors For Booking Cheap Hotels, Is Now Worth \$4 Billion

Forbes - Innovation on Jun 27, 2019

TripActions got off the ground by gamifying corporate travel and rewarding customers who chose cheaper hotel rooms with cash for personal travel or Amazon gift cards. Now investors are rewarding the startup's fast-paced growth with money of their own. On Thursday, the company announced a new \$250 million funding round led by venture firm Andreessen Horowitz's new growth fund alongside Zeev Ventures, Lightspeed Venture Partners and Group 11.

Booking Management Shakeup Leaves Gillian Tans Out as CEO of Flagship Unit

Skift Travel News on Jun 26, 2019

Gillian Tans is out as CEO of Booking.com and the parent company's chief executive, Glenn Fogel, is assuming her role, effective immediately. Booking Holdings announced these moves Wednesday, along with Tans sliding over to be Booking.com chairwoman. Booking Holdings didn't specify a reason for the sudden change, but perhaps hinted at some of the factors in a quote from Fogel in the announcement that includes more collaboration of its once-siloed brands. "I am excited by the opportunity to guide our largest business and drive even more alignment across the Booking Holdings brands as we continue on our mission to help people experience the world."