

Duff on Hospitality Law

OTA & Travel Distribution Update: Sabre vows to fight EU allegations; Agoda unveils its 'Mix and Save' feature; Vacasa acquires remaining Wyndham vacation rentals

By Greg Duff on 8.9.19 | Posted in OTA Update

Sabre Vows To Fight EU Allegations

("Sabre will 'vigorously defend against any allegations' of rule-breaking in EU probe," MLex Insight on Aug 2, 2019)

In its recent US securities filing, Sabre has pledged to “vigorously defend against any allegations of anti-competitive activity” by the European Commission in connection with the Commission’s anti-trust probe of both Sabre and its primary competitor, Amadeus. Since November last year, the European Commission has been investigating the two market leaders’ contracts, focusing specifically on whether the contracts contain provisions preventing airlines from providing more information to rivals’ distribution systems or even prohibiting use of rival distribution systems. According to questionnaires sent to airlines earlier this year as part of the investigation, the European Commission is trying to determine the significance of the two companies on ticket distribution and whether that significance influences their pricing and contracting practices.

Agoda in the News Again: Say Hello to “Mix and Save”

("Hoteliers have mixed response to Agoda’s new hacker rates," Phocus Wire on Jul 30, 2019)

In an apparent effort to appeal to even more budget-oriented travelers, Agoda has recently revealed its new “Mix and Save” feature. Users of this feature will be able split their stay at a given property among rooms that offer the lowest rates. Although the feature is available today only on desktop, Agoda hopes to make the feature available soon on mobile and to allow the split bookings to occur in a single reservation. In defense of this new feature, Agoda Chief Operating Officer, Omri Morgenshtern, claims that the feature will allow hoteliers to better “maximize their inventory.” Although this functionality isn’t entirely new (www.splittytravel.com), it will be interesting to see how hoteliers respond to a major platform offering this feature and the inevitable challenges associated with the wave of new split bookings (e.g., length of stay pricing, repeated guest room moves, etc.). Stay tuned.

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Vacasa Acquires Remaining Wyndham Vacation Rentals

("Vacation rental platform Vacasa will pay \$162M to acquire Wyndham Vacation Rentals," GeekWire on Jul 30, 2019)

Portland, Oregon based, Vacasa, announced plans last week to acquire the remaining assets of Wyndham Vacation Rentals (a portion of Wyndham's assets – located largely outside North America – were sold separately in an earlier transaction). With the purchase, the short-term rental operator will add 9000 properties to its growing portfolio. Brands acquired as a result of the purchase include ResortQuest, ResortQuest Whistler and Corolla Classic Vacations.

Other news:

CHTA Rejects Booking.com Commissions as "Grossly Unfair and Regressive"

Hospitality Tech on July 23, 2019

An overwhelming majority of Caribbean hotels are reconsidering using Booking.com as a result of the new commission policy which they claim is aimed at generating additional revenue for the online giant at the expense of consumers, the region's destinations, hotels and employees. Commissions levied on staff tips by the online travel agency Booking.com have been assailed by the Caribbean Hotel and Tourism Association (CHTA) as "grossly unfair" and the trade association has called for the immediate discontinuance of the policy. In a letter to Booking.com, CHTA cited "a strong negative backlash" from members particularly how it cuts into employee tips and gratuities.

Indonesian Travel Startup Seeks to Raise Funds Valuing It at \$4.5 Billion

Wall Street Journal Technology - What's News on Jul 29, 2019

Traveloka didn't respond to a request for comment. Established in 2012, Traveloka offers search and booking services for a variety of airlines, trains, buses, hotels and other accommodations. The company, which says its mobile app has been downloaded more than 40 million times, has established partnerships with more than 100

Marriott's Alibaba Joint Venture in China Is Part of Its Direct-Booking Strategy

Skift Travel News on Jul 26, 2019

Marriott could do a lot worse than tying its fortunes in China to the e-commerce juggernaut Alibaba. Rest assured that this won't be the last big partnership for Marriott in the country. These are, after all, early days.