

Duff on Hospitality Law

OTA & Travel Distribution Update: Indian online travel agent being investigated for potential consumer abuses; Kayak launches business platform; Trip.com's growing global aspirations

By Greg Duff on 11.11.19 | Posted in OTA Update

Indian Online Travel Agent Joins Ranks of Those Being Investigated for Potential Consumer Abuses

("MakeMyTrip faces battery of allegations of unfair business practices following merger," MLex Market Insight on Nov 1, 2019)

Indian (and Nasdaq listed) online travel agency (OTA) MakeMyTrip is the latest online travel platform to face scrutiny over allegedly questionable business practices. The Competition Commission of India (CCI) has ordered an investigation of the OTA following receipt of a complaint from the Federation of Hotel & Restaurant Associations of India (FHRAI). The FHRAI complaint contains a number of allegations that should be familiar to our readers – market dominant position (63 percent of domestic online market), excessive commissions (22-40 percent) and broad rate and availability parity requirements. Findings from the investigation are expected in four to five months.

Kayak Launches Business Platform

("Kayak Is Rolling Out a New Platform for Business Travelers," Skift Travel News on Nov 1, 2019)

As more and more online travel platforms expand into markets outside of leisure, Kayak is the latest to announce plans to enter business travel. Last week, Kayak introduced Kayak for Business (which will launch later this month) to help employees access available corporate rates, obtain needed corporate approvals and comply with established corporate travel policies. The service is entirely free, but as a result is lacking some of the customer service features found on competing business travel platforms, such as Lola or TripActions. Companies interested in the service can put their names on a waitlist to gain early access.

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Trip.com Has Global Aspirations

("China's Largest Online Travel Agency Is Going Global," Barron's News on Nov 1, 2019)

This past week, *Barrons* featured an interesting interview with Trip.com's (formerly known as Ctrip.com) CEO, Jane Sun. Among the many topics covered during the wide-ranging interview, Ms. Sun discussed the online travel company's plans for continued growth outside mainland China (currently 30 percent of total company revenues) by penetrating China's second-tier and third-tier cities (as income levels rise in these cities so do travelers' ability to travel internationally), offering more diverse and "in-depth" product offerings (medical or marathon packages), and tailoring products and services through the implementation of better technologies. When asked to identify the biggest risk to Trip.com's future success, Ms. Sun responded, "God and government."

Other news:

Hourly Hotel Booking Company MiStay Lands Funding From Ah! Ventures

Phocuswire on Oct 29, 2019

Bangalore, India-based online hotel booking company MiStay is planning to take the next step forward as a startup thanks to a new round of undisclosed funding. Investors in the round include Ah! Ventures, a firm that previously funded trip planning application iTraveller in 2015, and Hyderabad-based entrepreneur Sumit Nagpal.

Online Travel Agency Giants Are on the Backfoot in Tours and Experiences

Skift Travel News on Oct 31, 2019

Online booking companies are stepping up their efforts to sell travelers tours, attractions, events and activities. But the travel industry's three largest online agency conglomerates — Booking Holdings, Expedia Group and [Trip.com](#) Group — continue to have strikingly small market share in the sector.

Canada's Competition Watchdog Investigating Travel Site Flighthub

CBC - Business News on Oct 29, 2019

Canada's competition watchdog is accusing Montreal-based travel company FlightHub of garnering millions of dollars in revenue from hidden fees. The Competition Bureau has signed an agreement that commits the online travel agency to avoid giving a "false or misleading general impression" to the public regarding airfares, seat selection and flight rebooking or cancellation.