

Duff on Hospitality Law

## **OTA & Travel Distribution Update: German and French antitrust authorities examine effects of pricing algorithms on competition; TripAdvisor announces joint venture; Alibaba and Accor collaborate to attract Chinese travelers**

By Greg Duff on 11.18.19 | Posted in OTA Update

### **Algorithms Under EU Scrutiny**

*(“Algorithms might raise collusion concerns, Franco-German study says,” MLex Insight on Nov 8, 2019)*

As many of you probably already know, algorithms are the heart and soul of most online travel booking platforms (if you doubt me, just try asking for details about property rankings.) The antitrust authorities from Germany and France recently released a joint study examining the effects of algorithms on competition. In particular, the study focused on the relationship of pricing algorithms and horizontal collusion, and how the market dominance of certain platforms (including online travel agencies) may affect the algorithms used. If anyone would like a copy of the study, please let us know.

### **Prelude to Something More? Trip.com and TripAdvisor Strike a Deal**

*(“TripAdvisor forms joint venture with Trip.com Group, reports decline in Q3 revenue,” Phocus Wire on Nov 7, 2019)*

For sometime now, TripAdvisor and its future have been the subject of much speculation and conjecture. The announcement by Trip.com Group and TripAdvisor earlier this month regarding their “strategic partnership” may provide a glimpse of things to come for the review/metasearch/booking platform. On the heels of releasing its disappointing 3Q results this month, TripAdvisor announced that it had entered into the joint venture (TripAdvisor China) to improve its position in China, which among other things, provides Trip.com’s portfolio companies access and use of the TripAdvisor brand and content, and the opportunity to purchase 6.95 million TripAdvisor shares. What this might mean to those who currently license TripAdvisor content or list their properties on the platform is unclear, but it may be time to pull out your contracts and examine any redistribution or assignment provisions.

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#### **Another Alibaba Collaboration Announced**

*("Accor and Alibaba Form Partnership to Attract Chinese Travelers," Skift Travel News on Nov 7, 2019)*

In early November, Accor and Alibaba announced that the two companies would partner over the next five years to build digital applications and loyalty programs directed at Chinese travelers. As part of the deal, Alibaba will assist Accor in the rollout of its newly announced loyalty program, ALL. At the same time, Accor is also rolling out its Chinese certification program "Hoake," which is designed to ensure that its participating properties incorporate Chinese language, Chinese food, Chinese-speaking staff and other tailored services in their operations. This latest announcement follows Accor's launch of its flagship store on the Fliggy travel platform in 2016.

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Other news:

#### **U.S. Supreme Court to Consider Blocking Booking.com Trademark**

*Reuters - Business News on Nov 8, 2019*

The U.S. Supreme Court on Friday agreed to consider a bid by a federal agency to prevent the popular hotel reservation website Booking.com, a unit of Booking Holdings Inc, from trademarking the site's name, contending that it is too generic to deserve legal protection.

#### **Booking Holdings Survives SEO headwinds, Reports Financial Growth**

*Phocus Wire on Nov 8, 2019*

Gross bookings increased 4 percent year-over-year to \$25.3 billion, while net income soared 10 percent to \$2 billion.

#### **Google's Travel Gains Levy Pain at TripAdvisor and Expedia**

*Skift Travel News on Nov 7, 2019*

The fact that Google is leveraging its dominance as a search engine into taking market share away from travel competitors is no longer even debatable. Expedia and TripAdvisor officials seem almost depressed about the whole thing and resigned to its impact.