

Duff on Hospitality Law

## **OTA & Travel Distribution Update: Trip.com's CEO discusses COVID-19 & the China travel market; some U.S. hotels transform vacant hotel rooms into personal workspaces; major OTAs reach tentative resolution to HK investigation**

By Greg Duff on 4.10.20 | Posted in OTA Update

In this week's Update, I've again included a larger than normal number of stories given the interesting updates we are seeing. Not all the updates may be directly related to traditional distribution, but there is a connection. If there are particularly topics that you would like us to cover in future updates, please let us know. Enjoy.

### **Is Trip.com the Canary We Should All Be Watching?**

*("What's Next for Trip.com Group as Coronavirus Crisis Subsides in China?," Skift Travel News on Apr 1, 2020)*

Yes, another story on [Trip.com](#) (f/k/a [Ctrip.com](#)) and its efforts post-COVID-19. As the industry seeks clearer direction on what things will look like in the days, weeks and months after COVID-19, [Trip.com](#) has become the industry's unofficial canary. Last week, *Skift* sat down with [Trip.com](#) CEO Jane Sun to get her firsthand perspective on COVID-19 and the rebounding travel market within China. Sun confirms that the "green shoots of recovery" are definitely underway in China, at least with regard to domestic travel. As the COVID-19 pandemic subsides, Sun describes the next big challenge as reestablishing the confidence of Chinese consumers to travel again. Whether this means offering products to only those countries that have demonstrated an ability to control the virus or endorsing a national "health code" that identifies those healthy enough to travel, [Trip.com](#) is exploring a variety of options. I encourage everyone to take the time to read the interview.

### **Need a Place to Work During the Day? Try Your Local Vacant Hotel**

*("Hotel rooms as workspaces? It's happening," Phocus Wire on Apr 3, 2020)*

In the weeks and months prior to the COVID-19 outbreak, we featured a number of stories detailing hotels' efforts to leverage largely vacant public space within the hotels as co-working space (e.g. WeWork) and offer otherwise vacant hotels rooms to travelers seeking to book a room for less than the traditional 24-hour period (e.g. [DayUse.com](#)). Now with social distancing

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and quarantines putting a temporary stop to co-working and leaving hotel guest rooms largely vacant, hotels are combining their workplace and day-use efforts to offering their largely vacant hotel rooms as individual day workspaces. For those who are unable to work at home, a quiet hotel room with breakfast, fresh coffee and even possibly, a craft cocktail to end the day, even if only for a few hours, presents an interesting option. We've seen this phenomenon firsthand here in Seattle with rooms being used by both individuals seeking a quiet workspace and local companies seeking to establish regular workspaces for employees who are otherwise unable to work at home. Even short-term rental players like Sonder are now exploring this day-use alternative. As hotels continue to explore creative uses for their vacant facilities and dormant workforces, it will be interesting to watch which of these new uses become part of the permanent hospitality landscape following the COVID-19 pandemic.

### **Expedia, Booking.com and Trip.com Reach Tentative Resolution to Hong Kong Investigation** *("Hong Kong watchdog's probe triggers pledge from Booking.com, Expedia.com and Trip.com to drop contract clauses deemed a threat to competition, SCMP on Mar 31, 2020)*

In response to an ongoing investigation by Hong Kong's Competition Commission, the three travel platforms have offered to remove clauses (availability, rate and conditions parity) from all existing and future hotelier contracts that the Commission identified as possible threat to competition. The proposed resolution now goes to public consultation for the next two weeks before becoming final (and concluding the investigation).

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Other news:

### **U.S. Travel Ad Spending Plunges 90 Percent in March**

*Skift Travel News on Apr 3, 2020*

It's no surprise that travel companies pulled back on their marketing as the coronavirus crisis unfolded. But new data gives color to the picture. Cruise lines slashed their ad spending the most among travel categories

### **Stimulus Package Offered for Vacation Rental Owners and Managers**

*PRWeb on Apr 2, 2020*

The COVID-19 pandemic and resulting travel restrictions have left many in the vacation rental industry on the brink of financial disaster. As vacation rental cancellations skyrocket, most international online travel agencies (VRBO, HomeAway, Airbnb, [Booking.com](#)) are adding fuel to the fire by dictating clients offer full refunds (abandoning protections usually provided by their cancellation policies) and then holding refunded monies back from renters for abhorrently long amounts of time.

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#### **What the \$2 Trillion U.S. Stimulus Package Means for Travel Businesses**

*Skift Travel News on Mar 30, 2020*

Lots of travel brands are eligible to earn U.S. government money through the so-called CARES Act. But firms will need to move fast to get their share. Here's how it could all shake out.

#### **Airbnb CEO Apologizes to Hosts With a \$260 Million Relief Package**

*Skift Travel News on Mar 30, 2020*

Faced with a backlash over its unilateral decision to refund guest reservations and leave hosts empty-handed while competitors took a more balanced approach, Airbnb co-founder and CEO Brian Chesky apologized to hosts, and detailed a \$260 million Airbnb relief package.