

Duff on Hospitality Law

OTA & Travel Distribution Update: InterContinental Hotels Group opens its first flagship store on Ctrip's platform; France plans to create an online booking engine; Hong Kong regulators accept parity-clause commitments from major OTAs

By Greg Duff on 5.18.20 | Posted in OTA Update

This week's OTA & Travel Distribution Update for the week ending Friday, May 15, 2020 contains a wide variety of stories – from the tried and true to the truly bizarre. I hope you enjoy.

IHG Finally Opens Ctrip Flagship Store

(“IHG Announces Partnership with Trip.com Group's Ctrip,” May 14, 2020 via Hotel News Resource)

For some time now, many of the largest hotel companies have operated flagship stores on [Trip.com](#)'s Ctrip. This past week, seeking to take advantage of the rebounding domestic China market, InterContinental Hotels Group (IHG) announced a broad partnership with Ctrip, including the addition of a new IHG flagship store. What's most interesting about IHG's announcement, however, is the planned “cooperation” between the two heavyweight's loyalty programs. Users of the IHG flagship store will be able to enroll in IHG's Rewards Club. Direct membership matching – whereby elite members of Ctrip's loyalty program can apply for elite membership in IHG's program - will also be offered. As part of this new partnership, it will be interesting to see whether IHG will offer its loyalty program rates through the flagship store or provide IHG loyalty program members who book through the Ctrip store membership benefits. The last time we saw that level of cooperation between a brand loyalty program and a distributor was the headscratcher of a deal between Expedia and Red Lion from 2016.

France Enters the Distribution Business?

(France to Build Online Platform to Rival Airbnb, Booking.com, May 14, 2020 via Bloomberg – News)

In these crazy days of the pandemic, public support has come in many forms. Here in the United States, we've all become familiar with the Coronavirus Aid, Relief, and Economic Security (CARES) Act and more recently, the Health and Economic Recovery Omnibus

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Emergency Solutions (HEROES) Act. This past week, King County (the Western Washington county that encompasses Seattle and its environs) announced a relief package that, among other things, provides much-needed financial support for the area’s hard-hit tourism industry. The \$8 million earmarked for tourism in King County will be used by our local destination marketing organizations to fund a regional tourism campaign. Across the Atlantic, France is also providing stimulus support to its hard-hit tourism industry, although its investment will be used in a slightly different manner. This past week, the French government announced plans to partner with the French tourism industry to create a new online booking engine that is intended to “win back” customers from well-known U.S. intermediaries (e.g., Airbnb and Booking Holdings). Anyone remember Travelweb? How about Roomkey?

Hong Kong Regulators Finalize Commitments with Largest OTAs

(“Expedia, Booking.com, Trip.com parity-clause commitments accepted by Hong Kong antitrust regulator, May 13, 2020 via MLEX Insight)

As a follow-up to a [story](#) we featured last month regarding the Hong Kong Competition Commission’s ongoing investigation into the contracting practices of the largest OTAs (Expedia, [Booking.com](#), Ctrip), this past week, the Commission announced that it had accepted the OTAs’ commitments to remove the subject parity requirements. The changes, which apply to each of the OTA’s related companies, are expected to take effect within 90 days and to remain in place for five years. The commitments also require each of the OTAs to submit an annual compliance statement.

Other news:

[DerbySoft Signs RLH Corporation for Hotel Distribution](#)

May 12, 2020 via Hotel News Resource

DerbySoft, a leader in high-performance distribution services with over 400 connections to online travel agencies, wholesalers and tour operating groups globally, has finalized a new partnership with RLH Corporation (NYSE: RLH), a hotel company focused on the franchising of upper-midscale to economy hotels.

[Coronavirus Upheaval Prompts Independent Hotels to Look at Management Company Startups](#)

May 11, 2020 via Skift Travel News

Many owners of smaller, independent hotels may have less capacity to handle the coronavirus pandemic than owners of larger properties affiliated with major chains. The United States has [about 22,000](#) independently owned and operated hotels, according to STR. But not all of them

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will survive months of low occupancy along with [higher costs for new pandemic-related procedures](#) for cleanliness and safety.

[Reopen Vacations? U.S. Airbnb Bookings Jumped 7 percent Last Week](#)

May 11, 2020 via Forbes - Healthcare News

Airbnb booking data suggests that the United States might be heading for a V-shaped economic recovery after all, according to a short-term rental analytics site. Airbnb bookings in Texas jumped 10 percent week-over-week, while Georgia rose 8.3 percent and Arizona was up 7.8 percent. Across the United States, Airbnb occupancy rates rose 7 percent after rising 4.1 percent in the prior week.

[It Follows: What Is Really Going On With TripAdvisor?](#)

May 9, 2020 via Hospitality Net - Latest Industry News

If you work in travel, chances are you're not having the time of your life. Whether you're a hotelier, an OTA, a metasearch or a web agency, I doubt you'll remember 2020 as a year worth exulting about. That being said, some companies were already struggling before this pandemic hit, and, for them, the virus simply sped up the inevitable.

[Booking Holdings Chief Says Gov'ts Should Incentivize Consumer Travel](#)

May 13, 2020 via Pymnts.com

One solution to the pandemic's destruction of the travel industry, according to [Glenn Fogel](#) of [Bookings Holdings](#), could be for the government to start subsidizing peoples' vacations. Fogel predicts that travel and tourism will be some of the last recovering facets of the pandemic's multi-armed attack against the economy.