

Duff on Hospitality Law

OTA & Travel Distribution Update: Despegar moves forward with Best Day acquisition; Roomkey suspends operations; Booking.com transitions its tours and experiences business to TUI Group's Musement

By Greg Duff on 6.18.20 | Posted in OTA Update

After weeks of Updates detailing the disastrous effects of COVID-19 on the lodging industry, this week's Update includes stories on (potential) signs of an industry recovery. I hope you enjoy.

Despegar Presses Ahead with Planned Best Day Purchase

("Despegar Agrees to Revised Terms in Acquisition of Best Day Travel Group," Jun 11, 2020 via Business Wire Mergers & Acquisition News)

Following its mid-April announcement that it was re-evaluating the previously announced purchase of Mexican distributor Best Day, this past week, Despegar announced that it was moving ahead under newly negotiated terms, including a revised purchase price and payment terms. With its purchase of Best Day, Despegar will further solidify its position as the leading Latin American online distributor.

Roomkey Quietly Suspends Operations

("Hotels-Backed Online Search Platform Roomkey Suspends Operations, Jun 8, 2020 via Skift Travel News)

Although it had its doubters from its inception, Roomkey surprised many (including me) by lasting as long as it did. Unfortunately, COVID-19 and its effects on the hotelier-backed distributor (and just about every other online distributor) and its lodging company founders proved to be too much. On Monday, the company announced that it was no longer providing hotel search functionality as it reconsiders its business operations. What this actually might mean for the distributor is unclear. In an interview with Skift this past week, CEO Steve Sickel stated that the company's board members felt that the company's resources could be used for other strategic objectives. Does this mean Roomkey 2.0? Should we expect to see some other form of hotelier-led effort to better compete with the OTAs? Only time will tell.

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Booking.com Aggregates Sourcing of Tours and Experiences with TUI

("Booking.com Terminates Contracts With Tours and Attractions Operators, Jun 11, 2020 via Skift Travel News)

Following Booking.com's announcement earlier this week that it was shifting its tours and experiences business to TUI's Musement, Booking.com has begun terminating its direct relationships with activities and experiences suppliers. The newly announced partnership is a change in direction for Booking.com, which previously had been trying to build its own tours and activities business by, among other things, acquiring activities distributor, FareHarbor. As part of this new partnership, Musement will be required to share its established supplier leads with FareHarbor, which may not bode well for other activities' platforms or the suppliers themselves.

Other news:

Booking Holdings Takes Solitary Path in Online Travel Debate Over Offering Financial Relief to Partners

Jun 9, 2020 via Skift Travel News

While Airbnb is issuing \$17 million in grants to some super hosts, and Google, Expedia Group, Trip.com Group and Tripadvisor are offering various forms of advertising or marketing credits, loans or financial relief to partners, Booking Holdings is a holdout and isn't mounting a financial recovery effort.

Airbnb Sees Surge in Demand for Domestic Bookings Globally

Jun 12, 2020 via The Straits Times - Business

Antsy city dwellers seeking to escape their COVID-19 refuges are road-tripping to nearby vacation rentals in surprisingly strong numbers, in the first sign of life for an industry that essentially ground to a halt in March.

U.S. Travel Searches Indicate Initial Signs of Hotel Recovery

Jun 12, 2020 via Hotel Business - News

According to new consumer research from BVA BDRC and supported by Expedia Group search data, Americans are increasing their intent to travel this summer, a positive indicator for the industry. While U.S. domestic and regional travel searches steadily dropped throughout March and into the first week of April, according to Expedia Group data, search has been steadily climbing over the last month in total volume.