

Duff on Hospitality Law

OTA & Travel Distribution Update: Booking.com remains bullish on long-term prospects of short-term rentals and introduces longer-stay rates; CitizenM introduces corporate traveler subscription program

By Greg Duff on 10.2.20 | Posted in OTA Update

This week's Update features a variety of stories, including the big three industry players, Trip.com, Expedia and Booking.com; the always insightful update on the current status of airline distribution; and details on CitizenM's recent introduction of a subscription plan for corporate travelers. Enjoy.

Booking.com Bullish on Long-Term Prospects of Short-Term Rentals

(Booking Holdings CEO Sees Greater Traveler Awareness in Alternative Accommodations as a Long-Term Boon," Sep 22, 2020 via Skift Travel News) (subscription may be required)

With approximately 6.7 million short-term rental listings on its platform, Booking.com hopes to make the most of travelers' growing interest in alternative accommodations. Booking Holdings President and CEO, Glenn Fogel, believes the pandemic-induced interest in short-term rentals will remain for many years to come and should position Booking.com well against its online rivals. While demand continues to grow for short-term rentals, creating the supply needed to meet such demand has been challenging. According to Fogel, onboarding its millions of rental properties has cost far more than onboarding traditional guest rooms accommodations. As the demand for short-term rentals continues to rise (and is anticipated to remain long after the pandemic subsides), one might expect to see traditional lodging operators giving rentals a second look.

Booking.com Introduces Extended Stay Rates

("Booking.com acts on a trend and introduces longer-stay rates," Sep 22, 2020 via Phocus Wire)

With the demand for short-term rentals continuing to grow (see above story), Booking.com has recently begun allowing properties of all types to offer extended stay (weekly and monthly) rates. Booking.com's move follows Airbnb's introduction of extended stay rates in April of this year.

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CitizenM Introduces Corporate Subscription Program

(“CitizenM targets remote workers with new corporate subscription plan,” Sep 23, 2020 via Phocus Wire)

Oh the possibilities...As owners and operators of lodging properties continue to use the pandemic as an opportunity to rethink their traditional practices, CitizenM – no stranger to the “do things differently” mantra – has launched a corporate subscription program. Seeking to capitalize on the millions of displaced office workers who at first were thrilled by the prospect of working from home but may now be thinking slightly differently, CitizenM’s program combines overnight accommodations with temporary meeting and work spaces. Specifically, for \$600 per month, subscribers will receive three nights of accommodations at any one of CitizenM’s 20 properties (with 18 more in the pipeline), which will include a breakfast and a welcome drink with each stay, three hours of meeting room use, and an unlimited use of CitizenM’s 24/7 lobby communal workplaces. This is essentially WeWork meets hip youth hostel. We will be following this story closely to see whether other owners/operators with current excess capacity will follow CitizenM’s lead and, if the subscription model is successful, how distributors might react to the program, maybe even going so far as to create their own programs leveraging their access to hotel room inventory.

Australian Authorities Celebrate Data Analysts’ Success in Breaking Down Metasearch Site’s Algorithm

(“Trivago algorithm probe was first win for data-analysis unit, top Australian official reveals, Sep 15, 2020 via MLEX Insight)

Earlier this year, we reported on the Australian Competition & Consumer Commission’s (ACCC) court victory involving the ACCC’s claims that Expedia Group’s Trivago had misled consumers by purporting to display the cheapest room rates available while instead displaying the rates of properties that paid Trivago the highest fees. Now months after the decision, the ACCC is lauding the efforts of its new data-analysis unit, which the ACCC credits with breaking apart the Trivago algorithm and identifying the metasearch site’s preference for higher-paid content. While online platforms are often loathe to discuss their proprietary algorithms (let alone provide requested assurances as to the algorithm’s proper behavior), authorities are beginning to hire the type of data analysts necessary to fill the void.

Other news:

Trip.com Group Eyeing Full Recovery in China

Sep 25, 2020 via Phocus Wire

Announcing Q2 2020 results, Trip.com Group is seeing recovery in the domestic China market across accommodation and air bookings.

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Airlines Consider a Recovery With More Digital, Direct Distribution, Less Business Travel

Sep 25, 2020 via Phocus Wire

Airlines are assessing the longer-term impact of the COVID-19 crisis, and whether there will be a reduction in managed business travel.

Airbnb Makes Big Changes to its Cancellation Policy, Eliminating Certain Guest Protections

Sep 24, 2020 via Phocus Wire

The new policy, developed with input from hosts, eliminates many personal situations, such as illness from coverage but adds coverage for pandemics and natural disasters.

Expedia CEO Says Company Overhaul Will Be Done in Time for Travel's Recovery

Sep 22, 2020 via Skift Travel News (subscription may be required)

It may take 12 to 18 months for a full-tech overhaul and business simplification to fall into place at Expedia. That was the key takeaway from Peter Kern, Vice Chairman and CEO of Expedia Group during an interview on Tuesday at Skift Global Forum.

Hong Kong Poly Researches Consumer Behavior on OTAs

Sep 24, 2020 via Hospitality Net - Latest Industry News

Online travel agencies should be able to better predict their customers' decision making and meet their needs, suggests Dr. Sangwon Park of the School of Hotel and Tourism Management (SHTM) at The Hong Kong Polytechnic University and his co-researchers in a ground-breaking study published recently.