

Duff on Hospitality Law

## **OTA & Travel Distribution Update: OTA Insight introduces Rate Parity Distribution certification program; Amazon introduces virtual experiences; Booking.com pursues domestic development opportunities**

By Greg Duff on 10.12.20 | Posted in OTA Update

With this week's Update, we welcome Amazon back to the distribution discussion with its recent introduction of Amazon Explore. Enjoy.

### **OTA Insight Introduces Parity Certification Program for Distributors**

*("OTA Insight launches Parity Certification Program for Distributors, Sep 29, 2020 via Hospitality Net - Latest Industry News)*

Great idea in theory, but will the largest distributors actually use it? Recently, OTA Insight, the cloud-based distribution data platform, announced the launch of its Rate Parity Distribution certification program. With a focus on system controls, applicable contract requirements and legal requirements, the program assesses whether a distributor is in compliance with applicable rate parity protocols and best practices. Participation is open to all distributors. While certification may appeal to new or fledgling distributors (perhaps as a differentiator), I question whether the largest distributors will ever voluntarily open their parity practices to review by a third party. More to come.

### **Guess Who's Back? Amazon Introduces Virtual Experiences**

*("Amazon jumps into virtual tourism, offering live one-on-one experiences around the world," Sep 29, 2020 via GeekWire)*

Recently, Seattle-based *GeekWire* broke the story on Amazon's introduction of one-on-one virtual travel experiences to its U.S. users. The new marketplace, named "Amazon Explore," offers live virtual experiences with store owners, tour guides and other local experts. For months now (long before the onset of the pandemic and its travel restrictions), Amazon has been secretly testing the platform and approaching hosts to participate. Although details about the platform and its offerings are still forthcoming, here's what we know now:

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- Current prices range from \$10 - \$200.
- The virtual experiences run from 35 minutes to an hour.
- Most of the available experiences are international.
- The experiences are interactive in that users may click on the screen to identify points of interest for further exploration or items they wish to purchase in a local store.
- The booking and payment of experiences are handled entirely on the Amazon platform with purchases listed on a customer's Amazon order history like any other goods or services.
- Fees paid by hosts for participating on the platform are unknown. What products and services may ultimately be offered on the platform, if it proves successful, are largely unknown (but we might all guess).

### Booking.com Pursues Domestic Development Opportunities

*("Booking.com pursues domestic growth, downplays "connected trip" strategy," Sep 29, 2020 via Phocus Wire)*

With travelers focused for now on staying closer to home, Booking.com is shifting its priorities (at least temporarily) from its previously announced "connected trip" campaign to focusing on its domestic market offerings, particularly its domestic accommodation offerings. What this may ultimately mean remains to be seen, but recent efforts include adjusting existing accommodations supply to better match traveler demand, offering travelers a wider range of payment options, particularly Asian travelers and developing relationships with local companies capable of driving local demand.

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Other news:

### Airbnb Hopes to Raise \$3 Billion in a December IPO

*Oct 2, 2020 via Skift Travel News (subscription may be required)*

Airbnb plans on waiting until December, after the expected market volatility of the U.S. presidential election, to execute an initial public offering and to raise about \$3 billion. The funding infusion wouldn't be huge when you consider that Airbnb raised about \$2 billion in debt at double-digit interest rates in two rounds from private equity investors in April.

### Expedia CEO Peter Kern on the Google Silver Bullet — or Lack Thereof

*Sep 30, 2020 via Skift Travel News (subscription may be required)*

Expedia Group CEO Peter Kern is waging a simplicity campaign. Turning the Expedia and Hotels.com loyalty programs into a single plan might make sense. But one thing definitely on the agenda is trimming marketing through Google, a company Kern characterized as a "shark."

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**Expedia, Agoda, Traveloka, Ixigo on Opportunities and Challenges Post-COVID**

*Oct 2, 2020 via Phocus Wire*

Redesigning the travel product for a local audience, developing new customer acquisition strategies, consolidation and dealing with Google – those were among the topics discussed on Thursday by online travel leaders during two panel discussions at WebinTravel Travel Zero.