

Duff on Hospitality Law

Online Travel Update: Kyte is featured in PhocusWire's Hot Travel Startups for 2021; Booking Holdings discusses pressures predicament of the hotel industry; Airbnb's IPO upholds its status as a global distribution powerhouse

By Greg Duff on 11.24.20 | Posted in Online Travel Update

Beginning with this edition, we've rebranded the name of our weekly Update from "OTA & Travel Distribution Update" to "Online Travel Update." Why, you ask, did we change the name that has served us so well these past five years (yes, it has been more than five years since we launched our weekly Update)? Well, the new name reflects both the fact that our client mix continues to grow, with several high-end bespoke tour operators and cruise industry members added to our online travel portfolio, and that the work we do for these diverse clients has evolved well beyond traditional B2C online travel agent (OTA) contracts. Wholesale (B2B) distribution, search, metasearch, payment methods, privacy, tax, connectivity, e-commerce and website, and application development and operation have all become an important part of our travel practice. While we will continue to focus on stories involving the OTAs, you should also expect to see updates on these other critical substantive areas. We hope you enjoy, and always welcome your thoughts and feedback.

PhocusWire 2021 Hot Startups: Meet Kyte

("Hot 25 Startups 2021: Kyte," November 9, 2020 via Phocus Wire)

Our second story featuring the PhocusWire 2021 Hot Startups highlights airline (B2B) distribution solution, [Kyte](#). U.K.-based Kyte is one of several recent startups seeking to leverage the new distribution capability (NDC) to provide airlines the ability to offer flights and other ancillary products and services to consumers or third-party distributors. Current users of Kyte's solution include British Airways, Singapore Airlines, Air Canada, Cathay Pacific and American Airlines.

Hotels Caught in the Middle

(Booking Holdings boss talks pressure on hotels and the private accommodation trend, November 20, 2020 via Phocus Wire)

In presentations last week at the RBC Global Technology, Media and Telecommunication

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Conference and PhocusWright Conference, Booking Holdings' President and CEO, Glenn Fogel, described the predicament that hotels may soon find themselves in as the COVID-19 pandemic begins to loosen its grip on travel. With the return of business travel assuredly lagging behind the return of leisure travel, hoteliers will be more focused than ever on attracting leisure travelers. At the same time, however, lodging alternatives (i.e., short-term or vacation rentals) continue to gain favor with leisure travelers and have made incredible inroads on nearly all traditional distribution channels. Fogel reported that private accommodations represented 40 percent of new bookings on Booking's platforms during Q2 and 33 percent during Q3. According to Fogel, the increasing dilution of the accommodations market (and the resulting pressure on demand starved lodging suppliers), will bode well for third-party distributors like Booking.com in the post-pandemic period.

Airbnb IPO: It's All About Distribution, Stupid

*(Airbnb Considers OTAs as Biggest Competitors, Not Hotels, November 18, 2020 via Skift)
(subscription may be required)*

In two separate stories last week, industry chroniclers *Skift* and *Phocuswire* reminded readers that while Airbnb may have revolutionized (and made mainstream) the short-term rental industry, Airbnb's IPO prospectus makes clear that Airbnb is first and foremost, a powerful global distribution platform. A few key points:

- 63 percent of Airbnb's 2019 revenue came from listings outside the United States (more than rival Expedia).
- Airbnb's brand recognition has allowed it to largely avoid costly middlemen (e.g., metasearch sites) and focus on direct bookings.
- Airbnb's guest retention rates appear higher than its distribution competitors, even without a costly loyalty program.
- Perhaps most telling, when listing its leading competitors in its prospectus, Airbnb doesn't begin with traditional lodging providers, but instead identifies online travel agents, search engines and metasearch sites.

Other news:

Short-Term Rental Bookings Are up Following News of Vaccine

November 20, 2020 via Phocus Wire

Traveler confidence is up following promising vaccine news from pharmaceutical companies Pfizer and Moderna. According to short-term rental software provider Guesty, in the week following news of an effective COVID-19 vaccine, short-term rental bookings for Q1 2021 were

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up 6 percent.

What is the State of the Tours, Activities and Attractions Sector?

November 16, 2020 via Phocus Wire

A survey produced for the recent Arival 360 online event indicated just how much the tours, activities and attractions sector has been hit by the pandemic during 2020.

Tags: travel, Travel and Technology