

Duff on Hospitality Law

Online Travel Update: Tripadvisor Plus continues to grab attention; distributors' "narrow parity" compromise in South Korea; Trip.com deepens partnership with Shangri-La; Fareportal is asked to substantiate antitrust claims

By Greg Duff on 3.26.21 | Posted in Online Travel Update

This week's Update provides additional information (and perspectives) on Tripadvisor's new subscription program (Tripadvisor Plus), parity updates from South Korea and the latest on Fareportal's antitrust claims against JetBlue. Enjoy

Tripadvisor Plus Continues to Garner Attention

(“[Tripadvisor's new subscription service represents potential boon for lodging industry](#),” says [GlobalData](#), March 19, 2021 via [Travel Daily News](#))

([7 Takeaways From Tripadvisor's Confidential Pitch Deck to Hotels](#), March 17, 2021 via [Skift Travel News](#)) (subscription may be required)

Readers of my weekly Update know that I've expressed a few concerns about Tripadvisor's new subscription program, Tripadvisor Plus – supplemental property-level terms and conditions that harken back to the days when distributors demanded broad discretion in using a property's intellectual property (terms and conditions that may also require a property to violate any applicable brand requirements), sourcing rooms and discounted rates from wholesalers and bed banks, etc. As seen in the two stories featured above, industry analysts continue to examine the new program and its effects on Tripadvisor and the properties that elect to participate.

- **Transition to a Direct-to-Consumer (B2C) Booking Platform.** For some, the program represents Tripadvisor's dramatic shift from a historically B2B player to a B2C player (in direct competition to other B2C platforms – Expedia, Booking.com, etc.). Gone are the days of Tripadvisor serving only as a review site.
- **Cost Savings?** As seen from our first story above, the fact that the program is “free” (i.e., no commissions or other charges are paid directly to Tripadvisor for being featured) continues to garner much of the attention (though participation requires discounts of at

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least 10 percent (recommended 15 percent) and other guest perks – wine, upgrades and other additional benefits, all of which presumably cost something).

- **Tripadvisor's Organic Search Results May Not Be as Organic.** According to Tripadvisor, the more value a participating property offers (via discounts and other perks), "the higher you [properties] get placed in our organic search results and marketing channels." For those properties that don't participate in the new program? Well, you know what happens...Time to check those Tripadvisor terms and conditions regarding needed sort order disclosures.

Distributors Adopt "Narrow Parity" in South Korea to End Regulator Inquiry

("Global hotel booking sites agree to changes, scrapping wide parity clauses in South Korea," March 15, 2021 via MLEX Insight)

Last Monday, the Korea Fair Trade Commission (KFTC) announced that it reached agreements with online distributors, Booking.com, Agoda, Expedia and Hotels.com to end broad parity (e.g., direct and indirect channel rate, and availability parity) in favor of so-called narrow parity (e.g., direct channel rate parity only). With its announcement, the KFTC joins regulators from several EU countries, Brazil, New Zealand and Hong Kong (and others) in embracing distributors' narrow parity compromise. Inevitably, Korean hoteliers will raise issue with the compromise (claiming that the change does not go far enough), but unfortunately, few will ever take steps to put the opportunities afforded by the compromise into practice. For both Booking.com and Agoda, the announced changes went into effect this past January. Changes at Expedia and Hotels.com will take effect 90 days from the March 15 announcement date.

Trip.com (Ctrip) Deepens Partnership With Shangri-La

("Trip.com Group And Shangri-La Group Deepens Strategic Partnership," March 16, 2021 via Hospitality Net - Latest Industry News)

My interpretation of the recent announcement...“Trip.com and Shangri-La have agreed to do some awesome stuff together – like diversify, deepen, cement, collaborate and strengthen, but we really cannot say much more.”

Fareportal Is Asked to Substantiate Antitrust Claims

("Fareportal asked by US judge to substantiate claims of irreparable harm, antitrust injury from JetBlue," March 16, 2021 via MLEX Insight)

Last week, counsel for Fareportal were asked by the U.S. Federal District Court Judge overseeing their client's case against JetBlue how they intended to establish irreparable harm and antitrust injury (critical elements to succeeding on their antitrust claims) resulting from the airline's decision to not distribute fares through the online platform. Recall that Fareportal claims that JetBlue is trying to eliminate price-comparison shopping (and thereby undermining online travel platforms) by refusing to provide the airline's flight information. The claims

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followed JetBlue's refusal to renew/extend its previous distribution agreement with Fareportal. JetBlue has filed a motion to dismiss Fareportal's claims, and oral arguments on JetBlue's motion are scheduled for July 7, 2021.

Other news:

[Travala.com Partners With Viator Adding Over 400,000 Tours & Activities Worldwide](#)

March 17, 2021 via PR Newswire

Last Wednesday, Travala.com, the leading blockchain-based travel booking platform with over three million travel products in 230 countries and territories covering 90,124 destinations, has announced a strategic collaboration with [Viator](#), a Tripadvisor company and leading resource for tours and activities worldwide.

[Expedia CEO: Travel to Return 'Largely' at Pre-Pandemic Level](#)

March 16, 2021 via Bloomberg - Top Stories (subscription may be required)

Expedia CEO Peter Kern discusses the timeline for the return of leisure travel, competition with Airbnb, and outlook for hotels on "Bloomberg Technology."