

Duff on Hospitality Law

Online Travel Update: Tripadvisor Plus program forced to make significant changes; travel industry veterans launch Spotnana; Hopper CEO plans to create travel superapp for the West

By Greg Duff on 10.1.21 | Posted in Online Travel Update

Skift's annual Skift Global Forum, which was held this past week, produced a number of newsworthy items for this week's Update. Enjoy.

The Much Aligned Tripadvisor Plus Program Forced to Make Significant Changes

("Sounding Off: Tripadvisor Plus Changes Show the Complexity of Travel Plans," September 24, 2021 via Phocus Wire)

While the Skift Global Forum received much of the attention this past week, the other major industry newsmaker was Tripadvisor and its decision to make significant changes to its subscription model, Tripadvisor Plus. For weeks now, we've detailed the challenges with the program, particularly those around Tripadvisor's public display of its discounted member rates. For this reason, major brands were unwilling to commit to the program. This past week, Tripadvisor announced an abrupt change and will now feature retail commissionable rates (gone are the member discounted rates), but provide members a cash-back credit "roughly equal" to the former member discount (or new commission percentage). When or how travelers receive the credit is unclear. While the change may make it easier for the major brands to participate (but will they, given that the program now becomes yet another commissionable leisure distribution channel), it isn't clear whether the change will increase travelers interest in the program (and increase badly needed subscription fees). What is clear is that Wall Street didn't view the announced changes favorably, cutting the company's share price by 8 percent (a loss of \$374 million in market value) on the day after the news broke.

Travel Industry Veterans Launch Spotnana

("Corporate Travel Startup Backed by Concur Founder Launches With \$41 Million Raised," September 24, 2021 via Phocus Wire)

This past week, co-founders Sarosh Waghmar (founder of TMC, WTMC) and Shikhar Agarwal publicly revealed their new cloud-based corporate travel platform, Spotnana. Joining Sarosh and Shikhar at Spotnana are industry heavyweights, Steve Singh (founder and former CEO of Concur), Greg Stanger (former CFO of Expedia and Duetto), Bill Brindle (former COO of Amex

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GBT) and Johnny Thorsen (founder of ConTgo and former executive with Amex, Travelport and others). Spotnana hopes to not only build a new corporate booking platform, but to offer users a complete range of corporate booking tools and services, including supplier inventory, all based on an entirely new stack of technology. Spotnana plans to make its technology available to both corporate users and other travel agencies and travel management companies.

Here Comes the Travel Superapp

("Hopper CEO Hopes to Create a Google-Crushing Superapp for Travel," September 23, 2021 via Skift Travel News) (subscription may be required)

In a conversation this past week at the Skift Global Forum, Hopper CEO, Frederic Lalonde, outlined his plans for creation of western's first travel superapp. According to Lalonde, it is only a matter of time before the superapp trend that has taken Asia by storm (for example, China's Pinduoduo) makes its way west. For Lalonde, his superapp obsession is all about reducing consumers' cost of travel, an objective he hopes to achieve through a combination of content, pricing analytics, a variety of fintech products (price freeze, buy now pay later) and virtual currencies, all stirred with just the right amount of gamification. When challenged as to whether western users were ready to adopt a single travel platform, Lalonde suggested that Skift's Dennis Schaal check back in five years.

Other news:

Lola Ceases Operations, Touts "Next Phase"

September 24, 2021 via Phocus Wire

Small-and-midsize-enterprise-focused travel management provider Lola has shuttered its services, according to a notice on its website citing "new things to come" for the company, which less than three years ago made a major splash by inking an exclusive partnership with American Express Global Business Travel.

TWA Hotel Owner: Hospitality Needs to Adopt the Airline Pricing Model

September 23, 2021 via Skift (subscription may be required)

The hotel industry should charge guests for add-on services just like airlines do, according to one of the largest U.S. hotel owners.

Tripadvisor CEO Defends Subscription Service Changes That Rattled Investors

September 23, 2021 via Skift (subscription may be required)

Tripadvisor CEO Stephen Kaufer defended the company's overhaul of its Tripadvisor Plus subscription product by arguing that the change actually benefits both consumers and hotel chains.

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Expedia Consolidates Three Loyalty Programs With New Rewards for Vacation Rentals

September 21, 2021 via Skift (subscription may be required)

In Expedia Group's ongoing bid to simplify its operations, the company decided to consolidate its current three loyalty programs into one globally, and for the first time members will be able to earn and burn rewards for vacation rentals.

Tripadvisor Forced by Hotel Chains to Reverse Course on Subscriptions to Cash-Back Model

September 20, 2021 via Skift (subscription may be required)

In a stunning reversal, just three months after officially launching the Tripadvisor Plus subscription program in the U.S., Tripadvisor bowed to hotel chain concerns and will transition the offering from immediate discounts on hotels when subscribers book an accommodation to cash-back after check-in.

Real estate firm JLL Launches Short-Term Rental Platform

September 19, 2021 via Phocus Wire

Real estate services provider JLL is launching a short-term rental platform it's positioning as a rival to giants in the space including Airbnb and Booking.com.