

Duff on Hospitality Law

## **Online Travel Update: FlightHub Insists It Is Trustworthy; US Airways Claims Losses of Nearly \$300 Million in Case Against Sabre; and AirAsia Continues Quest for Super App Status**

By Greg Duff on 5.6.22 | Posted in Online Travel Update

Last week's Update features a variety of stories, including FlightHub's attempt to resurrect its reputation and US Airways' latest claims against Sabre. Enjoy.

### **FlightHub's Latest Pitch: Trust Us**

*("OTA that was charged a record DOT fine insists it is trustworthy," April 25, 2022 via Travel Weekly)*

When considering the many factors that one may use to evaluate a potential distribution platform, trustworthiness is really overblown. At least that's the current pitch of FlightHub (parent company to both JustFly.com and FlightHub.com). Just weeks after receiving the Department of Transportation's Office of Air Consumer Protection's largest fine (which comes on the heels of a similar settlement with the Canadian Competition Bureau over similar conduct), FlightHub is in full damage control mode. In both instances, the consumer protection agencies alleged that FlightHub's OTAs misrepresented fares, cancellation charges and ticket refunds and bag fees. Interestingly, FlightHub CEO, Chris Cave, claims that these "voluntary" settlements are the best possible evidence of FlightHub's commitment to full transparency with its travelers. Huh?

### **US Airways Claims Losses of Nearly \$300 Million in Case Against Sabre**

*("US Airways Tells Jury Sabre Overcharges Cost It Almost \$300 Million," April 22, 2022 via Bloomberg Law) (subscription may be required)*

As the second Sabre / US Airways anti-trust trial begins, lawyers for the airline told jurors this past week that the global distribution system had cost the airline nearly \$300 million in overcharges and lost profits. According to counsel, Sabre's monopolistic position allowed it to overcharge for reservation services, avoid competing over pricing and block others from entering the market to provide similar services – namely a distribution system for airlines and other suppliers to connect with travel agents.

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### **AirAsia Continues Quest for Super App Status**

*(“The Wrap: Increased demand for travel to South-east Asia, Travalyst aviation sustainability framework, AirAsia-Trip.com partnership,” April 20, 2022 via WIT)*

In its seemingly never-ending quest to attain Super App status, AirAsia announced last week that it was partnering with Trip.com to add Trip.com’s 1.2 million hotel listings to the online booking platform. With this newest partnership, AirAsia now enjoys supplier relationships with Trip.com, WebBeds and Travelport.

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Other news:

### **Is There a Direct Online Channel Dilemma?**

*April 25, 2022 via Hospitality Net*

A recent, very heated, discussion on LinkedIn about direct online vs OTA distribution prompted this article. Some of the direct distribution “detractors” claimed that the direct channel was, quite often, more expensive than the OTA channel, pointing toward ROIs from metasearch marketing, so why bother? Proponents of direct distribution insisted that the direct channel was more than just ROIs that allowed the property to “own” the customer.

### **CitizenM Launches Loyalty Program: CitizenM+**

*April 22, 2022 via Lodging Magazine*

CitizenM launched a loyalty program called mycitizenM+. mycitizenM+ doesn’t have points to collect, levels to achieve, or welcome gifts. Members sign up for a monthly fee to get the perks without the points, and they don’t have to spend more to get rewards.