

Duff on Hospitality Law

Online Travel Update: OTA Marketing Shift, Google's DMA and Wholesaler Woes Unveiled

By Greg Duff on 1.30.24 | Posted in Online Travel Update

With many in the industry getting their first look at Google's proposed "DMA" changes to European Union search results, many of this past week's industry headlines were focused on the proposed changes and the industry's generally unfavorable response.

- **Increased Marketing Efforts by OTAs Result in Fewer Direct Bookings.** In a report issued last week by SHR Group, the hospitality industry technology specialist reports that increased marketing investments by OTAs have begun to shift the share of bookings away from direct channels to indirect channels, have driven higher the costs of brand key word bidding (particularly on meta search sites where costs increased by over 128%) and have increased OTAs' share of total room nights (largely through OTAs generating longer lengths of stay).
- **First Impressions of Google's Proposed DMA Changes to Search.** With the Digital Market Act's (DMA's) ban on self-preferencing by so-called "Gatekeepers" set to take effect in early March (March 7), Google has begun rolling out on a limited test basis proposed changes to its EU search results for flights. The responses have been less than flattering. Leading the opposition to the proposed changes is online travel platform eDreams Odigeo, which has made quite clear that it believes the proposed changes do not go far enough and warrant enforcement efforts by EU authorities. eDreams' concerns have been echoed by other industry groups, including [eu travel tech](#) and [EU Tech Alliance](#), which have largely focused on Google's alleged failure to effectively engage with industry members before moving forward with the changes. While most of eDreams' complaints are focused on flights, it claims that similar concerns also apply to the proposed changes for hotels and activities / experiences. I expect that we may hear from hoteliers soon.
- **Still Suffering from Rogue Wholesalers' Abusive Use of Rates and Inventory? Expedia's Peter Kern Has a Simple Solution.** Peter's proposed solution? Take the issue seriously. That's it. Simple, right? Speaking at the lodging industry's annual investment conference, ALIS, Peter Kern (first OTA CEO ever to speak at the long-standing industry conference) expressed surprise that independent and regional hoteliers (noting that many large

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hoteliers have tackled the problem through solutions offered by Expedia – a plug for Expedia’s wholesale distribution program (Optimized Distribution)) don’t take the issue seriously. If only it were that easy Mr. Kern.

Hotels under pressure to respond as OTA competition for guests lead gen explodes

January 25, 2024 via Hospitality Net

Hotel direct booking share falling as OTAs bid heavily for greater share of leads Hotels facing cost-per-click inflation of 62.5% OTAs attracting longer staying guests, with share of room nights up from 53% to 56% The battle for direct bookings has entered a new phase as online travel agents (OTAs) ...

American Airlines doubles down on digital distribution strategy

January 25, 2024 via Phocus Wire

American Airlines said 80% of bookings currently come via internet-based channels with 65% of that coming from its website and mobile app.

Ryanair’s first team-up with online agent

January 24, 2024 via BizPlus Ireland

Ryanair has launched its first partnership with an online travel agent (OTA) despite repeatedly branding such companies as ‘pirates’. The airline said it has agreed a deal with Loveholidays to offer its flights as part of package trips. Ryanair has previously strongly complained about OTAs selling its flights without permission. ...

Google’s Flight Search Changes in Europe Get Thumbs Down from eDreams Odigeo

January 23, 2024 via Skift Travel News

As the saying goes about changes to the way Google displays flights, the devil will be in the details. -Dennis Schaal

Expedia CEO to Hotel Owners: Stamp Out Rogue Wholesale Rates

January 23, 2024 via Skift Travel News

Hotels aren't doing enough to keep their wholesale rates off of smaller retail travel sites. That is damaging to Expedia's effort to gather the best prices online. -Sean O'Neill

Google’s search tweaks draw fire as EU self-preferencing ban looms

January 23, 2024 via Tech Crunch

Changes to how Google displays search results in the European Union, which the tech giant is testing ahead of a ban on self-preferencing that kicks in March 7 under the ex ante competition reform, the Digital Markets Act (DMA), have drawn a furious reaction from online travel agency, eDreams Odigeo.

Google Flight changes still break DMA self-preferencing rules, online travel agency says

January 23, 2024 via Global Competition Review

Europe’s largest online travel agency has joined a growing list of companies criticising Google’s proposed compliance with the EU’s Digital Markets Act.

Access Travel Tech’s Free Regulatory Analysis on FTC Junk Fees

November 15, 2023 via Travel Tech Association

Association to Submit Comments in Response to Junk Fee Challenges in the Indirect Channel The U.S. Federal Trade Commission (FTC) recently published its proposed Trade Regulation Rule on Unfair or Deceptive Fees and is currently seeking public comment. If adopted, this wide-sweeping regulation would directly impact companies in the travel ...