

Duff on Hospitality Law

## **Travel Innovations and Challenges: DOT's Loyalty Program Hearing, Sustainability Efforts by Google & Expedia, and Hotel Direct Booking Updates**

By Greg Duff on 4.22.24 | Posted in Online Travel Update

This week's Update features a variety of topics – sustainability (x2), airline loyalty programs, NDC and direct booking campaigns (among others). I hope you enjoy.

- **DOT Announces Hearing on Airline Frequent Flyer Programs.** Last week, the US Department of Transportation (DOT) announced plans to co-host (with the Consumer Financial Protection Bureau) a hearing on May 9 on airline loyalty programs (and associated airline cobranded credit cards) as part of its ongoing investigation into airlines' alleged deceptive trade practices. According to a statement issued by the agencies, the hearing will provide an opportunity for the agencies to “gather more information for determining if additional action is needed to ensure fair competition in these industries and a fair and transparent experience for passengers and cardholders.” Among the areas of interest for the agencies are (1) the practices around booking award tickets, (2) the devaluation of miles over time, (3) the transferability of miles and benefits and (4) the notice given to travelers when program changes occur. Notably, not one of the major airlines or their cobranded card partners will testify at the hearing. As in years past, the results of this effort could prove instructive to hoteliers with regard to their own loyalty program and co-branded card practices.
- **Hotelbeds Delays IPO.** Global wholesaler Hotelbeds has reportedly delayed its IPO ambitions until late 2024 or early 2025. According to reports, the delay is an attempt to achieve an even higher valuation (higher than the expected \$4 billion valuation if Hotelbeds had gone public this summer).
- **Google and Expedia Announce New Sustainability Features.** In separate announcements this past week, both Google and Expedia announced new features and products to allow travelers to better identify and book (Expedia) more sustainable travel. On Wednesday, Google announced that it was adding new tools to its Maps, Search, Flights and Hotels products to help travelers identify more environmentally friendly travel

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options. These latest tools are in addition to Google's already existing (and widely used) carbon emissions estimate technology. Expedia announced the launch of two programs to assist DMOs in promoting sustainable tourism and more environmentally friendly travel options. The first program, Destination Climate Champions, educates DMOs on incorporating sustainability into their daily practices. The second program, Destination Giveback Initiative, works with DMO partners to identify and donate to local causes.

- **Wyndham Seeks to Drive Direct Business Bookings.** Wyndham announced plans last week to improve how companies book group meetings and events and individual business travel. Among the announced changes, companies booking events and travel can now receive loyalty program points and rewards. Additional changes include improved account tools making it easier for companies to establish corporate accounts. Wyndham's efforts come on the heels of announced changes at Hilton designed to improve the direct booking process for businesses.

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### **Airline frequent flyer programs subject of federal hearing on 'unfair or deceptive practices'**

*April 19, 2024 via MSN*

The U.S. Department of Transportation will hold a public hearing on airline frequent flyer programs, the agency said Monday, part of an investigation into potential unfair or deceptive practices.

### **Delta partners with Accelya, Google on new NDC plans**

*April 18, 2024 via Phocus Wire*

The last of the three major U.S. airlines to embrace modern retailing and distribution announced the partners it will work with, including IATA and ARC.

### **Hotelbeds Delays IPO Until the End of 2024 at the Earliest: Reports**

*April 17, 2024 via Skift Travel News*

When it comes to potential IPOs, timing is everything in life, right? Hotelbeds seemingly thinks so. Dennis Schaal Share Hotelbeds, which had planned on an IPO in Spain this summer, has reportedly delayed those ambitions until the tail end of 2024 or early next year. Private equity firm ...

### **Google Adding Features to Maps and Search to Promote More Sustainable Travel**

*April 17, 2024 via Skift Travel News*

Google just a few weeks ago shared updates about AI-powered travel features in some of its products. Now it's adding more. Google said Wednesday that it is releasing new features that share options for traveling in ways that are more environmentally friendly.

### **Expedia Group launches sustainable programs for destinations**

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*April 17, 2024 via Phocus Wire*

The programs are designed to help destination marketing and management organizations promote sustainable travel and tourism in their communities.

### **Wyndham Lures Businesses to Book Directly With New Loyalty Perks**

*April 16, 2024 via Skift Travel News*

Wyndham aims to woo businesses to book hotels directly by simplifying the process and turbocharging rewards. The hotel franchisor is betting big on America's infrastructure spending boom. Sean O'Neill Share Wyndham Hotels & Resorts said Tuesday it's taking steps to improve how companies book and manage group bookings, ...

### **Italy probes Ryanair for potential abuse of dominant position, paper says**

*April 15, 2024 via MarketScreener*

Italy's antitrust regulator has opened a new investigation into Ryanair over the possible abuse of a dominant position that caused "serious and irreparable" damage to travel agencies, other airlines and passengers, Il Messaggero newspaper reported on Monday.