

Duff on Hospitality Law

OTA & Travel Distribution Update - Oct. 13th, 2017

By Greg Duff on 10.20.17 | Posted in OTA Update

This week's OTA & Travel Distribution Update for the week ending Friday, October 13, is below. This week's Update features stories on short-term rentals (or should I say hotels?), OTAs and loyalty. I hope you enjoy.

Airbnb To Introduce Branded "Lodging" Concept [SHORT-TERM RENTALS]

("Airbnb Experiments With Hotel-Like Concept Outside Orlando," Skift Travel News, October 12, 2017)

For some time now people have speculated as to when (if ever) large distributors might bypass their suppliers all together and enter the lodging business themselves. For those of you who doubted that the day would ever come, let me introduce you to "Nidzo powered by Airbnb." Airbnb announced plans last week to partner with Florida boutique hotel and residential developer, Newgard Development Group, to develop an apartment building outside Orlando, Florida, that will be designed, built and operated to facilitate tenants' short-term rentals. Tenants who elect to share their residences will be automatically enrolled in Airbnb's Friendly Building Program (under which commissions are shared with the building's owner) and will be permitted to share their residences for up to 180 days each year. Features of the planned building include (i) a hotel-like front desk with front desk staff, (ii) shared common areas purpose built for both residents and short-term renters and (iii) in-house cleaning and linen services. Newgard intends to do more of these dedicated short-term rental facilities throughout the South if this first Orlando project is successful.

Some Same Day Booking Apps Are Actually Succeeding [OTA]

("Standard Hotels CEO Talks Up Same-Day Booking Apps But Thinks HotelTonight Has Lost Its Value," Skift Travel News, October 9, 2017)

Earlier this month, the editors at *Skift* sat down with Standard International's CEO, Amar Lalvani, to discuss Standard's same-day booking app, One Night, which Standard introduced approximately one year ago. One Night allows users to book up to 130 boutique hotels (e.g. Gramercy Park, Thompson Chicago and The Line in Los Angeles) beginning at 3:00 p.m. local time. Unlike other commission-based distributors, One Night shares guest data with participating hotels. Refreshingly, the app also doesn't focus (or rank its participating hotels) on room rate. With HotelTonight's recent pivot to more traditional bookings, One Night is relishing (and maybe even reaping the benefits of) being one of the few (if not the only) same day booking application.

Hyatt to Expand Loyalty Program to Vacation Rentals [LOYALTY]

("Business of Loyalty: Hyatt Intends to Expand Program to Vacation Rentals," Skift Travel News), October 10, 2017)

With its recent investment in short-term serviced rental platform, Oasis, Hyatt plans to offer member of its World of Hyatt loyalty program the opportunity to both earn and redeem loyalty program points through stays at Oasis' serviced residences. Readers of our weekly Update will recall from last week's post that Wyndham's extension of its Wyndham Rewards program to vacation residences is believed to be one of many factors that pushed Wyndham's loyalty program to the top of several pundits' loyalty program rankings.

Other news:

HOTREC unveils its assessment of OTA practices

Alltop - Hotel News, October 12, 2017

Hotels are losing control over their products and distribution, as many conditions are dictated by the dominant platforms. Consumers are also often mislead and unduly pressured by online intermediaries towards immediate bookings while considering making a purchase decision.

Ctrip may face more regulatory scrutiny as sales bundling provokes public ire

(Mlex, October 10, 2017)

Ctrip.com, China's biggest travel website, is likely to attract renewed scrutiny from the country's regulators after its bundling practices generated a storm of complaints from consumers during the past week. The number of online complaints about Ctrip exploded after Chinese pop star Han Xue posted online on Oct. 9, accusing the company of engaging in extensive bundling related to online flight ticket booking. Many consumers complained that Ctrip had concealed bundled sales of insurance products in online bookings.