

Duff on Hospitality Law

OTA & Travel Distribution Update - China shuts down Marriott's website & mobile app; Airbnb hits the jackpot in Las Vegas; Ctrip's Gourmet List adds OpenTable listings

By Greg Duff on 1.19.18 | Posted in OTA Update

This week's OTA & Travel Distribution Update for the week ending Friday, January 12, is below. This week's Update features stories predominantly on OTAs.

Politics Larger Than Size [OTA]

("China Shuts Down Marriott's Website and Mobile App Over Tibet Gaffe," Skift Travel News, January 11, 2018)

For those of you who may believe that Marriott's size and status following the recent Starwood merger allow it to do just about anything, China wishes to set the record straight. Last week Marriott announced that it was taking down temporarily (approximately 1 week) its Chinese website and mobile application in response to Chinese officials' request. The request apparently constitutes punishment for Marriott's mistaken identification of contested Chinese territories Hong Kong, Macau, Taiwan and Tibet being listed as separate countries in a Marriott loyalty program member survey. According to the Marriott announcement, those responsible for the gaffe at Marriott will also be subject to "necessary disciplinary action," including possible termination. For hoteliers seeking to expand their China presence, this serves as an important reminder of the geopolitical risks of doing business there.

Airbnb Hits the Jackpot in Las Vegas [SHORT-TERM RENTAL]

("Airbnb bookings, revenue in Las Vegas nearly doubled in 2017," Las Vegas Review Journal - Business, January 10, 2018)

While hoteliers in the gaming capital of the world swallow hard the news of a roughly 2% decline in total visitors in 2017, Airbnb has been celebrating. While total visitors declined, Airbnb saw bookings at its short-term rentals over the year nearly double from 265,000 to 500,000. According to Mehmet Erdem, an assistant professor at UNLV's hotel college, the increase in short-term rental bookings is the result of certain markets being underserved by existing accommodations – sports teams, backpackers and those seeking longer-term stays. Other suspected causes contributing to the increased bookings include rising room rates and resort fees.

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Ctrip's Gourmet List Adds OpenTable Listings [OTA]

("Ctrip and Priceline dine out together," Tnooz News Feed, January 10, 2018)

Gourmet List, one of Ctrip's wholly-owned startups and purveyor of restaurants in China and around the world, will soon benefit from OpenTable's tens of thousands of restaurant listings in North America. Chinese visitors traveling to North America will be able to book restaurant reservations directly using the Ctrip mobile application. This recently announced collaboration is just one more example of the Priceline Group's strengthening relationship with Ctrip, which includes a nearly \$2 billion investment.

Other news:

Expedia study: OTAs are the preferred way to book, especially amongst Gen Z

Alltop - Hotel News, January 11, 2018

OTA's spell convenience for travelers, with 80% of Americans saying it is helpful to book all accommodation on one website. Younger generations specifically prefer to book this way.

Travelocity Found Liable For Sales Tax, Avoids Penalties

Law360 - Tax, January 9, 2018 (subscription is required)

The Maryland Tax Court has ruled in favor of the state comptroller by finding online travel site Travelocity responsible for collecting and remitting sales and use tax for hotel and car rentals from 2007 to 2011 but abated penalties and interests beyond that time, finding the company was entitled to ...