

G A R V E Y S C H U B E R T B A R E R

On-Line Distribution: Overview, Issues, Tips

Greg Duff and Ruth Walters



AHIA's Fall Meeting
November 8, 2013 – Los Angeles, California

History of Online Distribution

- 1970 – Creation of Global Distribution Systems
- 1996 – Microsoft launches Expedia
 - Sabre launches Travelocity
- 1998 – Google founded
 - lastminute.com, Priceline launched
- 2000 – TripAdvisor launched
- 2001 – Orbitz launched
- 2004 – Expedia acquires TripAdvisor for \$210m
 - Facebook launched
 - Kayak launched

History of Online Distribution

- 2005 – Priceline acquires booking.com for \$135m
 - YouTube launched
- 2006 – Twitter launched
- 2008 – Airbnb launched
 - Groupon launched
- 2009 – Room 77 launched
- 2010 – Google acquires ITA Software for \$700m
 - Pinterest launched
 - JetSetter launched

History of Online Distribution

- 2012 – RoomKey launched
 - Priceline acquires Kayak \$1.8bn
- 2013 – Expedia invests \$30 million in Series C financing for Room 77

The Beginning

Global Distribution Systems

1. Originated with Airlines
2. Direct Connection
3. Switches

Sabre

amADEUS

Travelport 

The Landscape

On-Line Travel Agents (OTAs)

1. Expedia, Booking.com, Travelocity, Orbitz, etc.
2. Merchant Model v. Commission-Based Model
3. Payment Methodologies
4. Opaque Channels

The Landscape

Non-Traditional Channels

1. Search/Maps
2. Aggregator/Metasearch
3. Social Media Sites
4. Regional OTAs
5. Certificated Transaction Sites (Groupon, Jetsetter)

The Landscape

Convergence and Channel Management

1. Convergence of OTAs with Non-traditional Channels
2. Rate and Inventory Parity/Priority
3. Platform convergence—Expedia on Facebook, Kayak on Twitter
4. Practical and Contractual Challenges

Significant Issues

Intellectual Property Protection

1. Keywords
2. Copyright and Trademark Infringement
3. IP Rights to Guest Reviews
4. Territorial Nature of IP Protection
5. Practical Negotiation Tips

Significant Issues

Data Privacy and Protection

1. Privacy Legal Framework
2. PCI-DSS Compliance
3. Who is Responsible?
4. What Laws Apply?
5. Indemnity for Breach

Significant Issues

Antitrust Developments

1. Office of Fair Trade – Intention to Accept Binding Commitments
2. Open Groups vs. Closed Groups
3. UK Residents / EU Hotels
4. Next Steps

Significant Issues

ADA Regulations: Booking Reservations

1. Regulations
2. CRS—Room Types/Descriptions
3. Applicability to OTAs and Other Distributors

Significant Issues

Certificated Transactions

1. Vouchers = Gift Certificates
2. Federal/State Gift Certificate Laws
3. Groupon Settlement
4. State Escheat Laws

Significant Issues

More on the Practical Side

1. Terms and Conditions
2. How Do I Get Listed?
3. Google Hotel Finder and Sponsored Hotels

Resources

www.hotelmarketing.com

www.eyefortravel.com

www.hsmai.org

www.tnooz.com

Thank You

Greg Duff

206.816.1470 Tel | 206.321.8386 Mobile | gduff@gsblaw.com

Ruth Walters

206.816.1483 Tel | 206.999.4557 Mobile | rwalters@gsblaw.com

Blog: [Duff on Hospitality Law](#)

