

Duff on Hospitality Law

## **OTA & Travel Distribution Update - Reservation re-sales in the news again; Google's "Reserve" functionality gaining users; Renewed attempts to legislate booking disclosure requirements**

By Greg Duff on 6.7.18 | Posted in OTA Update

This week's OTA & Travel Distribution Update features a variety of stories, including renewed federal efforts to legislate third-party booking engines' disclosure requirements. Enjoy.

### **Reservation Re-Sales in the News Again**

*("The Rise of Reservation Re-Sale (and Why Airbnb Is Involved)," Hotel Online, May 30, 2018)*

With the recent changes in major hoteliers' cancellation policies (most now requiring 48 hours advance notice), reservation re-sellers – like Roomer and Cancelon - are again making headlines. While the services these sites offer can present a challenge for hoteliers seeking to manage their rates and inventory, their relative obscurity has limited their effect. Now enter Airbnb...

### **Google's "Reserve" Functionality Gaining Users**

*("Google's 'Reserve' tool winning converts, taking search to next level," Reuters Top News, June 1, 2018)*

Reuter's reported this past week on the growing success of Google's appointment-making functionality, Reserve. Reserve allows users to not only search available appointments at nearby salons and gyms, but also allows users to book (and even pay) for appointments – all without speaking to a single individual. While the service seems to be limited at this point to smaller (under served by existing booking platforms) businesses, one can easily see how this Google product (particularly when combined with Google's voice-activated technologies) might challenge existing providers in the restaurant and lodging industries.

### **Renewed Attempts to Legislate Booking Disclosure Requirements**

*("Amy Klobuchar is trying to make air travel pricing more transparent – but could that end up hurting consumers?," Minnesota Post - Politics, June 1, 2018)*

Senator Amy Klobuchar (D-Minn.) is at it again. The lodging friendly Senator who back in November urged (unsuccessfully) the Department of Justice (DOJ) and Federal Trade Commission (FTC) to examine the deceptive practices of online travel agents (involving both

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hotels and airlines), has now introduced a controversial amendment to the Senate's bill to fund the Federal Aviation Administration that would require "large ticket" third party booking sites to display the same airline fee, fare and scheduling information that is found on the airlines' websites. With this latest effort again directed squarely at online travel agents, I cannot imagine that Senator Klobuchar is high on online travel agents' most favorite people lists.

Next week's Update will conclude our six-part series critiquing challenges to hoteliers' keyword practices.

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Other news:

### **Hyatt Enters Business Travel Management Battleground**

*Skift Travel News, June 1, 2018*

Hyatt Hotels announced a program for small businesses to receive discounts at some Hyatt properties, along with basic travel management tools to track spending and traveler whereabouts. Hyatt's smaller scale means it can try out new initiatives, but who knows how this one will work out? If they can add services and meeting spaces to the platform, though, this could be a big deal for small businesses.

### **Why India's MakeMyTrip Made Peace With Rapidly Growing Oyo**

*Skift Travel News, May 30, 2018*

The decision by MakeMyTrip, India's largest online travel agency, to start selling Oyo budget lodging is significant. The move recognizes that the heavily funded Oyo is no longer a rival marketplace and is instead primarily a supplier. Asset-light hotel chains need to wake up to Oyo's rise. MakeMyTrip, India's largest online travel company, has added back properties from lodging booking company Oyo to the websites and mobile apps of its flagship MakeMyTrip brand as well as its recently acquired Golbibo brand. The move represented an about-face for the company.

### **After A Strong Start To The Year, What We Expect From Expedia In 2018**

*Forbes Market News, May 29, 2018*

Expedia reported strong Q1 earnings recently to start the year on a positive note. In terms of its quarterly performance, the company performed well, as expected. The company's revenues grew by 15% to \$2.51 billion for the first quarter. We have a price estimate of \$144 for Expedia's stock which is 20% above its current price. With travel bookings continuing to shift from offline to online, the company's strong position in terms of global gross bookings, a target of doubling its gross booking in 2018 in comparison to the previous year, and increased investments to cater to international markets should help it continue its strong growth in the near term.