

Duff on Hospitality Law

## **OTA & Travel Distribution Update: Traveloka challenges OTA acronym; Japanese anti-trust agents raid offices of Expedia and Booking.com**

By Greg Duff on 4.19.19 | Posted in OTA Update

Other than the news that Marriott and Expedia completed negotiations over their new contract (congratulations to Marriott for getting this behind you), this past week was relatively quiet on the distribution front. Enjoy.

### **Traveloka Challenges OTA Acronym**

*("Southeast Asia's Online Travel Agency Traveloka Moves Into Food, Wellness Choices," News, April 10, 2019)*

Indonesia-based Traveloka is challenging what it means to be an online travel agent. The OTA recently added tours and activities to its traditional travel offerings and has begun targeting users in its domestic markets through the addition of lifestyle products (e.g., food, beauty, movies). In Indonesia, where Traveloka's "discovery" platform was first introduced, users can purchase discounted restaurant vouchers, read reviews of local restaurants, and book a wide range of lifestyle products and services offered by many of the country's traditional retailers. Content for the platform is sourced directly from suppliers and vendors or indirectly through other third-party channels. Traveloka plans to roll out its discovery platform to other Southeast Asian countries, including Australia. If attempts by Traveloka (and AirAsia) to diversify their user base through the addition of lifestyle products and services proves successful, how long will it be before the more traditional global distributors follow their lead?

### **Japanese Anti-Trust Agents Raid Offices of Expedia and Booking.com**

*("Expedia, Booking.com and Rakuten raided by Japanese antitrust agency over suspected price-parity demands," MLex, April 10, 2019) (subscription required)*

It may not be long before you can add Japan to the list of countries limiting or even prohibiting rate and availability parity. This past week, representatives from Japan's Fair Trade Commission (JFTC) raided the offices of Expedia, Booking.com Japan and Rakuten (Japan's largest OTA) on suspicion that their contracts with hoteliers demanded price and availability parity. A previous investigation by the JFTC into Amazon's use of similar pricing parity provisions involving e-books resulted in the platform's agreement to cease using such requirements. More information to come...

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Other news:

**STARTUP STAGE: Gomingo wants to bring down commission rates for accommodation providers**

*PhocusWire, April 11, 2019*

This interview details Gomingo's aim to create a global, trusted community marketplace for people to list, discover and book accommodation that encompasses personalization and social profiling. The startup launched in March of this year.