

Duff on Hospitality Law

## **OTA & Travel Distribution Update: Expedia Group's Trivago guilty of misleading consumers; speculation about Expedia's next steps; China adopts hotel online service standards**

By Greg Duff on 1.31.20 | Posted in OTA Update

This week's Update features a recent *Skift* story that tries to answer a question that I know many of you have asked...What's Barry Diller's next move with Expedia? Enjoy.

### **Expedia Group's Trivago Found to Have Misled Consumers**

*("Trivago's 'cheapest' hotel-room offer misled consumers, Australian court finds," MLex Insight on Jan 20, 2020)*

In a ruling issued last week, the Australian Federal Court found that Trivago breached Australian Consumer Law by making misleading statements about rates on its website and in television advertising. While Trivago claimed to provide travelers information on hotels with the lowest hotel rates, the Court found that instead, Trivago provided travelers with rates for hotels that paid Trivago the highest click-through fees. The Court further found (like regulators in many other countries) that Trivago's use of strike-through pricing gave travelers false impressions as to the relative value of the advertised rate. According to the Australian Competition & Consumer Commission (the Australian regulator that brought the claims), the Court's decision "...sends a strong message to comparison websites and search engines that if ranking or ordering of results is based or influenced by advertising, they should be upfront and clear with consumers..."

### **What's Next for Expedia?**

*("What's Behind Barry Diller's Patient Approach to Expedia?" Skift Travel News on Jan 24, 2020)*

Since the unexpected departures of Expedia Group's CEO and CFO in early December, little has been heard from the online travel giant. In the absence of information on where Expedia goes next, speculation has only grown over Expedia chairman, Barry Diller's, plans. Is Expedia for sale? Who might be in a position to pay the anticipated \$20 billion purchase price? If Expedia isn't for sale, how about one or more of its underperforming brands? Will Expedia instead undertake a widespread cost-cutting exercise to better compete against rival Booking.com? We look forward to the answers to these questions and more in the weeks ahead. Stay

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tuned.

### China Adopts Hotel Online Service Standards

*("China Releases New Standards to Rate Quality of Hotel Online Services," Hotel News Resource on Jan 23, 2020)*

Earlier this month (January 10), China adopted its first ever domestic online service standards for evaluating and rating the quality of individual hotel's online services. The standards associated with the Hotel Online Service Quality Evaluation and Classification use a system of seven key indicators, including basic hotel information, service quality, operation efficiency, business integrity, personal information security, corporate regulations and consumer assessment. The maximum score a hotel can attain is 1,000 points, and service failures will directly affect a hotel's ranking. Online service providers are required to display distinctive logos for each hotel designating the hotel's ranking.

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Other news:

### Wex Buys eNett From Travelport for \$1.7 Billion in a Travel Payments Mashup

*Skift Travel News on Jan 24, 2020*

Wex, a financial technology company, said Friday it had agreed to buy eNett, a payments tech company for travel suppliers like airlines and online travel agencies, along with a related financial technology company Optal, for approximately \$1.7 billion.

### Google Wades Deeper Into Expedia's Territory With New Travel and Cloud Pact With Sabre

*GeekWire on Jan 21, 2020*

Google is taking a major step in its travel push, teaming up with travel giant Sabre Corp. in a new 10-year alliance.

### KAYAK Launches "Trip Builder," Making it Easier to Plan Multi-City Travel

*PR Newswire - News Releases on Jan 21, 2020*

KAYAK, the world's leading travel search engine, is testing a new product feature that makes planning your next multi-city trip even easier. A helpful tool designed for anyone traveling to more than one destination, the new feature calculates the cheapest routes between multiple cities for the biggest savings.