

Duff on Hospitality Law

OTA & Travel Distribution Update: Google adds travel rivals' direct links within search results due to mounting pressure from the EU; Expedia Chairman Barry Diller hints at layoffs

By Greg Duff on 2.21.20 | Posted in OTA Update

Both Google and Expedia are featured prominently in this week's Update, particularly Barry Diller and his many colorful statements made during last week's Expedia earnings call. Enjoy.

Under Mounting EU Pressure, Google Adds Direct Links

("Google Bows to European Pressure and Tests Adding Travel Rivals' Direct Links," Skift Travel News on Feb 10, 2020)

When it rains it pours, particularly if you are Google...Last week, the search engine's many ongoing regulatory battles in the EU took center stage as Google began its appeal of the European Commission's \$2.6 billion fine for allegedly biasing shopping results and engaging in anti-competitive behavior in vacation rentals (alleged by 34 travel competitors who wrote letters to the European Competition Commissioner). At the same time, news of Google's limited testing in the EU of a "carousel" of unpaid direct links to Google travel competitors placed above Google's own featured travel products and services garnered the attention of many. Tests of these new direct links – for travel, jobs and local listings – have apparently been underway for the past several months in countries, including France, Germany, Spain, Italy, Belgium, Denmark, the Netherlands, Sweden and the United Kingdom. What effect these new links might have on European regulators and whether Google will roll out these changes in the United States (where it is also facing antitrust scrutiny) remain to be seen. More to come...

Big Promises (and Other Musings) by Expedia's Barry Diller

("Layoffs looming at Expedia? Diller looks to simplify 'bloated' company, aiming to save up to \$500M," GeekWire on Feb 14, 2020)

We elected to include only two of the dozens of stories published last week detailing the many statements of Barry Diller in Expedia's recent earnings call. Of particular interest was the story in Seattle's own *Geekwire*, which provided much more detail than many of the other news outlets. As you might imagine, the much discussed "cutbacks" are of particular concern (i.e., form, magnitude, timing) to many here in Seattle where the online giant is based. What Barry Diller's statements and these many newly announced changes might mean for Expedia and the

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hundreds of hotel suppliers that work with Expedia (which is a question I get often) remains to be seen. Locally, rumors of a potential acquisition of Expedia by Amazon or another online platform continue to abound.

Other news:

Google's Holiday Rental Service Under fire as 40 rivals Urge EU Antitrust Action

Reuters Technology on Feb 10, 2020

Google faces the risk of more EU antitrust problems after 40 rivals on both sides of the Atlantic accused it of favoring its own vacation rental service on its search engine and urged EU enforcers to take action.

Expedia Jumps After Projecting 'Double-Digit' Profit Growth

Bloomberg - News on Feb 14, 2020

Expedia Group Inc. gave a 2020 profit forecast for "double-digit" growth, topping analysts' estimates and suggesting the company will be able to maintain bookings in the face of slowing global travel demand caused by the spreading coronavirus.

Loyalty-Related Hotel Bookings Surpass 50 Percent of All U.S. Bookings

Lodging Magazine on Feb 12, 2020

Hotel brand loyalty programs continue to play a major factor in where and how guests are booking their stays, and today loyalty-related hotel bookings account for more than 50 percent of the total hotel bookings in the United States, according to new, full-year 2019 booking data from [Kalibri Labs](#).