

Duff on Hospitality Law

OTA & Travel Distribution Update: Expedia announces management changes and new financing; Booking.com announces austerity measures; Booking. com and South Korea's Fair Trade Commission's agreement over the use of rate parity provisions

By Greg Duff on 4.28.20 | Posted in OTA Update

This week's Update contains updates on several fronts, but begins with a story that I found thoroughly depressing, but summarizes, perhaps better than any other story I've seen in recent weeks, the current state of the travel industry. According to reports (now confirmed), *The New York Times* plans to stop temporarily printing its weekly travel section in its Sunday print edition. The sports section is facing a similar fate. In their spots, the paper will instead publish a new Sunday section titled, "At Home." Wait, what? Now, I completely understand the decision and appreciate the circumstances that made this change necessary practically, but the complete disappearance of travel from this Sunday morning staple for so many speaks volumes. The complete article is available on [Skift Travel News' website](#).

Now, back to distribution...

Expedia Announces Management Changes and New Financing

("Statement from Expedia Group Chairman Barry Diller," Expedia Group on Apr 23, 2020)

By now, most everyone has read Barry Diller's announcement (or details about the announcement) regarding upcoming changes at Expedia. Among the many points covered in Mr. Diller's announcement were details of the approximate \$3.2 billion in new financing, including an equity investment of \$1.2 billion from private equity firms Apollo and Silver Lake (no strangers to the travel platform space – read the [Airbnb article](#)). What does this mean long term for Expedia? Is there an Expedia-Airbnb combination in the making? We'll have to wait and see. In the meantime, I'd encourage everyone to read Mr. Diller's impassioned statement.

Changes in Store at Booking.com

("Booking.com Plans for Lay Offs After Landing \$4bn Loan," Hotel News Resource on Apr 20, 2020)

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It appears that change isn't unique to Expedia. On the heels of its successful \$4 billion bond sale, Booking.com CEO Glenn Fogel has announced a series of austerity measures, including reduced marketing expenditures and job cuts.

Last Week Australia, This Week South Korea: Is Parity on the Ropes?

("Booking.com offers remedies in South Korea over regulator's MFN-clause concerns, MLEX learns," MLEX Insight on Apr 20, 2020)

Last week, we included a story about Expedia's agreement with Australian Competition & Consumer Commission (ACCC) regulators to abandon Expedia's "narrow" (direct channel) rate parity requirements. The announced agreement applied only to Expedia, as the ACCC's announcement expressly stated that its investigation into Booking.com was ongoing. This week, news came out of South Korea that Booking.com is close to an agreement with the Korea Fair Trade Commission over Booking.com's use of rate parity provisions. Details of the agreement, including Booking.com's proposed remedies, are not yet known. Other distributors operating in South Korea are believed to be close to reaching a similar agreement.

Other news:

[Airbnb Is Banking on a Post-Pandemic Travel Boom](#)

Bloomberg - News on Apr 22, 2020

Back in March, when sheltering in place was still a novelty, Airbnb Chief Executive Officer Brian Chesky hung an oversized print from his company's in-house magazine on a bare wall above his sofa, hoping it would brighten up his home office. The image, of a rustic cabin set against snowcapped mountains, seemed to signify the monumental task of running a home-sharing website during a [deadly pandemic](#).