

Duff on Hospitality Law

## **OTA & Travel Distribution Update: Family travel club launched in the midst of pandemic; Booking.com introduces new incentive program for travelers; narrow parity commitments proposed in South Korea**

By Greg Duff on 7.30.20 | Posted in OTA Update

It was a relatively quiet week for the distribution industry. Enjoy.

### **Family Travel Club Launched in the Midst of a Pandemic**

*(“Online Family Travel Club Launched by Wall Street Journal Alums Unbowed by Pandemic,” Jul 20, 2020 via Skift Travel News) (subscription may be required)*

This past week saw the launch of The Expedition, a subscription-based online travel platform focused on families. Founded by two former newspaper and magazine editors (Wall Street Journal, Travel + Leisure and TIME), the newly launched platform will feature travel content and discounted services and products, and provide subscribers an interactive network of travel industry professionals and travelers focused exclusively on family travel.

### **Booking.com Introduces Rebooking Incentive**

*(“Booking.com creates rebooking incentive with money back for travelers, waived commission for suppliers,” Jul 20, 2020 via Phocus Wire)*

Following the launch of its supplier-focused recovery program earlier this year (a program that has seen mixed responses from many suppliers), Booking.com is now turning its attention to travelers. This past week, Booking.com introduced a new incentive program in the United States focused on travelers whose travel plans were disrupted as a result of the pandemic. Travelers who previously canceled their U.S. accommodations bookings will receive a 15 percent credit for re-booked stays at the same property made by December 31 (for travel by April 30, 2021). Commissions on bookings made as a part of the program will also be waived. While some suppliers may celebrate the commission waiver, it will be interesting to see the response to the program’s temporary rate discounts by travelers, suppliers and Booking.com’s online competitors.

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### **Narrow Parity Commitments Proposed in South Korea**

*(“Global online-booking platforms propose to remove broad MFN clauses in South Korea while retaining narrow ones,” Jul 20, 2020 via MLEX Insight)*

Reports from South Korea indicate that Booking.com and Expedia are again advocating the use of “narrow” (direct channel only) parity provisions to appease Korean competition officials and to bring an end to the investigation into the companies’ contracting practices that began last year. For now, it is unclear whether the Korea Fair Trade Commission (KFTC) will go the way of regulators in Hong Kong and certain EU countries, and accept the “narrow” proposal or instead follow the lead of regulators in Italy, Germany and potentially Australia, and reject parity obligations all together.

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Other news:

### **Trip.com Expects China's Domestic Travel Sector to Fully Recover in Next Few Months**

*Jul 21, 2020 via CNBC Travel*

China's coronavirus outbreak that has been under control and the removal of restrictions on cross-province travel can help the domestic travel sector to recover, says James Liang, [Trip.com's](#) group Chairman and Co-Founder.

### **OTA Version 2.0 Is Likely to Come from Outside the Travel Industry - PhocusWire**

*Jul 20, 2020 via Hotel News Resource*

Chris Hemmeter is right: Airbnb does not have an opportunity to position itself as a next-generation online travel agency. But what is one of those entities likely to be, in reality?

Airbnb, in its current guise, is at an immediate disadvantage. It doesn't have a transportation component, [despite the high-profile appointment of Fred Reid in 2019](#).

### **Travelport Strikes Deal With Creditors That For Now Could Save It From Bankruptcy**

*Jul 22, 2020 via Skift Travel News*

[Travelport](#) has entered a standstill agreement with its creditors, according to people familiar with the matter, as the parties haggle over a drop in the company's value since the start of the pandemic.

### **Kayak CEO Hints Company May Get Into the Hotel Business**

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*Jul 23r, 2020 via Skift Travel News (subscription may be required)*

There's been [speculation](#) over the years about online travel companies getting into the hotel business, and Kayak CEO Steve Hafner teased as much during an interview on Thursday. Hafner, who heads Booking Holdings brands Kayak and OpenTable, dropped the hint during a pre-recorded interview for [Travel's Path Forward: Online Travel](#), when discussing the company's product roadmap during the Covid-19 hiatus.