

Duff on Hospitality Law

OTA & Travel Distribution Update: Hotel partnerships with co-working companies continue to rise; Google plans to phase out third-party cookies from Chrome; Expedia and Agoda claim COVID-19 has killed the 'sacred cow' of rate parity

By Greg Duff on 10.16.20 | Posted in OTA Update

This week's Update features two stories on the growing (temporary?) phenomenon of using hotel guest rooms and other public spaces for those seeking an alternative arrangement to working from home and how those new remote work locations are being distributed. If this trend continues, it won't be long until distributors (either new or existing) begin featuring this new form of inventory. Enjoy.

Hotels and Co-Working Companies: An Inevitable Combination

("Hotels Partnering With Co-Working Companies Signal a Pandemic Trend Could Be Here to Stay," Oct 6, 2020 via Skift Travel News) (subscription may be required)

As hotel owners and operators desperate for revenue have offered their rooms to first responders, the homeless, those quarantining and even prison inmates, it should be no surprise that these same owners and operators are now partnering with co-working companies to offer their otherwise unoccupied rooms and empty public spaces to far more tame work-from-home employees. In late September, Proper Hospitality partnered with co-working provider Industrious to bring "work-from-hotel" offerings to Proper's hotels in Austin, San Francisco and Santa Monica. Next, Proper plans to expand those offerings to its additional Southern California properties. Proper is just one of several traditional lodging (or gaming) companies (e.g., MGM, Mandarin and [CitizenM](#), which we covered in a prior post) exploring the space, though Proper is one of the first lodging brands to partner with an experienced and well-known co-working provider. Although the partnership is scheduled only to run through mid-December, many feel that this partnership is likely a sign of things to come.

On the Heels of Apple's Recent Privacy Announcements Comes Google's Plan for Cookies

("Google Is Eliminating Third-Party Cookies — What Does That Mean for Your Hotel's Digital Marketing?") Oct 9, 2020 via Hospitality Net - Latest Industry News)

It was just weeks ago that we featured a [story](#) on Apple's plans to require affirmative (opt-in)

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consent to track iOS users' online activity and the effects of those plans on hotel marketers. In fact, Apple's plans were part of my recent digital marketing presentation to attendees at HSMIA's annual Chief Digital Officer Roundtable. Now comes Google and its plans to phase out third-party cookies from its market-leading web browser, Chrome (the lesser browsers, Safari and Firefox already blocked third-party cookies by default). Like Apple's plans, Google's plans are part of a self-initiated campaign to improve (and make more transparent) user privacy. How this affects hoteliers' digital marketing efforts will depend on existing strategies and the extent those strategies rely on third-party campaigns targeting large audiences. Google plans to phase in these changes over the next two years.

COVID-19 Kills Distribution's "Sacred Cows?"

("Expedia, Agoda say 'sacred cows' of rate parity and last room availability killed by COVID," Feb 10, 2020 via WIT)

Last week, Webintravel.com featured an article highlighting interviews with Expedia's President of Travel Partners, Cyril Ranque, and Agoda's CEO, John Brown, at Web in Travel's annual conference. According to the article, both senior executives claimed that COVID-19 and suppliers' overwhelming desire to drive revenue had caused traditional hotelier hot buttons – providing distributors last room availability (LRA) and requiring distributors to maintain rate parity – to no longer matter. In fact, according to the article, Agoda's Brown went so far as to suggest that hoteliers now welcomed Agoda's controversial (and widely known) practice of routinely undercutting the rates of its supplier partners. Really?!?

Other news:

Book-Direct Advocates Concede Online Travel Agency Distribution Is Still Essential

Oct 7, 2020 via Skift Travel News (subscription may be required)

With thousands of hotels going out of business and up for sale, and vacation rentals business booming in certain destinations, there will be a ton of disruption and convergence in hospitality. Savvy short-term rental operators can pick off some direct bookings, but the mega online travel agencies will hardly notice.

VIDEO: Expedia Group on Its Recovery Agenda and Traveler Sentiment

Oct 7, 2020 via Phocus Wire

The Expedia Group, like many other major travel brands, has been fighting the outbreak of the coronavirus on multiple fronts. It has strong positions in both leisure and business travel, covering online travel agencies, travel management and metasearch, packaging, private accommodation, hotels and flights. Unravelling what has taken place over the course of 2020 so far has been no small undertaking (as referenced in an interview with the group's CEO on

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PhocusWire in July).

Expedia Sweetens Agent Affiliate Program With New B2B Rates

Oct 7, 2020 via travelweekly.com

Expedia Partner Solutions has enhanced its Expedia Travel Agent Affiliate Program (TAAP) with new business-to-business rates, enabling advisors to earn up to double compensation for bookings at select hotel chains, including Marriott, Highgate and Club Quarters.

United Tests Bundling Flights With Meeting Space for Remote Workers in Subscription Model

Oct 6, 2020 via Skift (subscription may be required)

Airlines that depend on business travel for profitability may need to entertain the idea that the world has changed for years to come, rather than hold out in hopes of a speedy return to normal. United Airlines, at least, is trying an experiment premised on the notion that a slice of businesses will maintain a larger remote workforce than they ever have before.