

Duff on Hospitality Law

Online Travel Update: Trivago and Kayak take different approaches to address metasearches; Fareport Holdings drops antitrust suit against JetBlue; Sonder prepares for expected rebound in corporate travel

By Greg Duff on 8.6.21 | Posted in Online Travel Update

This week's Update features stories on the divergent paths of two of the leading metasearch sites – Kayak and Trivago – and updates on recent efforts by airlines JetBlue and RyanAir to grow their direct bookings. Enjoy.

Two Metasearch Sites, Two Different Paths

("Trivago and Kayak Split Over Travel's Metasearch's Future," July 30, 2021 via Skift Travel News) (subscription may be required)

To diversify or remain focused on your core business or target customer seems to be a frequently asked question by many of the largest online travel platforms, particularly now as these platforms seek to re-establish critical post-COVID revenue streams. The latest example is Trivago's recent launch of its new local content (e.g., local concerts, theater and other activities) in the United Kingdom to inspire and attract travelers' interest before booking, while Trivago's main competitor, Kayak, remains focused on travelers ready to book their trip. How long will these metasearch giants pursue these different strategies? Which strategy will prove best? It is too early to tell.

In a Win for Travel Suppliers, Online Travel Company Fareportal Holdings Drops Antitrust Suit Against JetBlue

("Travel Site Owner Drops JetBlue Antitrust Suit," July 29, 2021 via Law360 – Competition) (subscription may be required)

Follow up to a story we've been following for the past few months...last week, Fareportal Holdings Inc. (owner of online travel site CheapOair) voluntarily dropped its claims against Jet Blue alleging that the airlines' refusal to provide the OTA with access to JetBlue's fares and other content (and instead directing travelers to book air travel directly with JetBlue) violated U.S. antitrust laws. According to Fareportal Holdings, its decision to drop the claims (without any settlement or compromise by JetBlue) was motivated by its decision to focus instead on its

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core mission of serving customers (PR agency speak for “our claims had no merit and were destined to failure.”)

Sonder Prepares for Expected Rebound in Corporate Travel

(“Sonder Targets Business Travel by Partnering With Expedia’s Egencia, TripActions and Others,” July 28, 2021 via Skift Travel News) (subscription may be required)

Alternative accommodations provider (and soon to be public company), Sonder, announced last week that it has reached agreement with travel management companies Egencia (soon to be part of American Express) and TripActions, and GDS providers Amadeus, Sabre and Travelport to make its largely apartment inventory available to the Travel Management Company (TMC)’s and Global Distribution System (GDS)’s corporate clients and platform users. While challenges remain for Sonder as it seeks to transition to corporate travelers (including satisfying the strict identification verification requirements often associated with short-term rentals that may require finicky corporate travelers to download a separate mobile application), Sonder’s move into the corporate travel segment mirrors the efforts of other short-term rental companies (e.g., Sentral f/k/a Daydream Apartments) seeking to appeal to non-leisure travelers.

European Commission Seeks Greater Transparency from Google

(“Google told more transparency needed in flight and hotel prices regulator,” July 28, 2021 via Phocus Wire)

At the urging of some of Google’s largest advertising customers in travel (including Booking.com and Expedia), the European Commission is requesting changes to Google’s display of flight and hotel prices. Specifically, Google is being asked to provide travelers additional information on how Google’s search results are ranked (including details on how payments to Google might affect the results) and sufficient pricing detail to allow travelers to easily calculate final fares or room prices. Google has been given two months to make the requested changes.

Other News:

Ryanair Calls on Customers to Always Book Direct Amid Fraudulent Discount Scam and Overcharging by OTAS

July 28, 2021 via Travel Daily News

Ryanair called on customers to always book directly on the Ryanair website or App following further evidence of anti-consumer practices by certain Online Travel Agents (“OTA”s).

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Charting the Rise of SPACs in Online Travel

July 27, 2021 via Phocus Wire

The travel unicorn landscape has been turned on its head in the past 18 months by the pandemic as well as the rise of public listings via special purpose acquisition companies (SPAC). Travel and Mobility Tech (TNMT), which tracks companies in the space, recently revealed the growth of unicorns in travel from 22 in 2018 to 45 at the end of 2019 and 49 at the end of 2020.

Expedia Down, Airbnb up for Bookings for Some Hotels in Europe and Asia

July 26, 2021 via Phocus Wire

An analysis by D-Edge Hospitality Solutions finds that while online travel agencies remain the dominant source of online revenue for its client hotels, in the last five years, the share of bookings coming through OTAs is down 11 percentage points in Europe and 14 points in Asia.