

Duff on Hospitality Law

Online Travel Update: American Airlines Shifts Bookings Online, Hilton Settles "Junk Fee" Dispute and More

By Greg Duff on 2.5.24 | Posted in Online Travel Update

This week's Update features a variety of stories, including updates on airlines' continuing efforts to move away from traditional distribution systems (GDS) and a review of 2023's booking trends. For those of you interested, I've also included the slides from [my presentation](#) at HEDNA in New Orleans last month.

- **American Seeks to Move All Bookings to the Internet.** During last week's quarterly earnings call, American Airlines' Chief Commercial Officer, Vasu Raja, made clear American's plans for the future – "We sell our product through the internet." American appears to be making great progress toward its goal with 80% of fourth quarter bookings coming through the airlines' website, app or via NDC. More importantly, when compared to results from 2019, the airline is up in revenue (15%) and down in selling expenses (8%-9%). Travelers who book their American Airlines travel through the internet will also benefit with greater loyalty program mileage and better servicing.
- **New "Junk Fee" Settlements Announced by Nebraska Attorney General.** Nebraska Attorney General, Mike Hilgers, announced a new settlement agreement regarding mandatory fees with Hilton Hotels, adding Hilton to the list of recent settlements with Marriott, Omni and Choice. The newly announced settlement requires Hilton to "prominently" display total price (rate plus any mandatory hotel fees) on the first page of the Hilton website and when searching and sorting by price. Hilton also agreed to pay \$300,000 in attorneys' fees and costs.
- **EU Court Publishes Grounds for Booking's Appeal of EU Commission's eTraveli Decision.** The EU court hearing Booking Holdings' appeal of the EU Commission's decision to block Booking's planned purchase of eTraveli published this past week Booking's asserted grounds for overturning the decision. Among its many claims, Booking asserts that the Commission's concerns over the proposed transaction's effects

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on competition within the online travel industry (most notably accommodations) contained significant and obvious errors, including (a) overstating the impact of the proposed transaction, (b) miscalculating Booking's incremental market share growth resulting from the transaction and (c) mischaracterizing Booking's commissions and room rates. We will continue to update our readers as this much watched case proceeds.

- **Series of Recent Reports Confirm Industry's Rebound in 2023.** Three separate reports released last week by SiteMinder, MEWS and SHR Group provided interesting insight into the industry's prior year performance. Highlights from the reports include (a) Booking.com remains the most popular bookings channel in most international markets, with Expedia or Agoda (depending on the market) in second and direct bookings in third, (b) although direct bookings remained strong during the year, one study found that hotels' share of bookings through direct channels (excluding group, wholesale or contract bookings) actually fell, (c) booking windows have increased (in large part due to growing international travel), (d) more North American hotels are monetizing their non-hotel room spaces (parking and meeting rooms) and (e) the return of international travel is largely the result of growing outbound Asian travel.

At American Airlines, the goal is 100% internet bookings -- direct and indirect

February 2, 2024 via Travel Weekly

If it wasn't already clear prior to the end of last year, American Airlines executives crystallized it during Thursday's Q4 earnings call: American eventually plans to go to 100% internet bookings -- in the direct and travel agency channels.

Lufthansa Group increases GDS surcharges

February 2, 2024 via Travel Weekly

Lufthansa Group opened 2024 with higher surcharges for legacy GDS bookings, with the largest increase being in Sabre.

Assessing the effectiveness of influencer marketing in travel

February 1, 2024 via Phocus Wire

Windstar Cruises is the latest company to bolster its influencer marketing strategy, recently announcing a partnership with Jerne, which helps to facilitate connections with influencers.

Attorney General Mike Hilgers Announces Series of Settlements Aimed at Preventing Hidden Hotel Fees

January 30, 2024 via Attorney General Mike Hilgers

Today, Attorney General Mike Hilgers announced that his office has reached a settlement with Hilton Hotels regarding the disclosure of hidden mandatory fees.

Ryanair Makes Peace With 2 Online Travel Agency 'Pirates'

January 30, 2024 via Skift Travel News

The two low-cost carrier mavericks, Ryanair and Southwest, are pursuing different distribution strategies with online travel agencies. Ryanair is seeking direct agreements, and Southwest just sues those that gain unauthorized access.

Booking's appeal of blocked Etraveli deal published by EU court

January 29, 2024 via foster.com

Applicant: Booking Holdings Inc. (Norwalk, Connecticut, United States) (represented by: F. González Díaz and R. Snelders, lawyers) Defendant: European Commission Form of order sought The applicant claims that the Court should: — annul the European Commission's Decision C(2023) 6376 final of 25 September 2023 in Case COMP/M.10615 — Booking Holdings/eTraveli ...

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International bookings rose in '23 even as hotel rooms got costlier

January 29, 2024 via Phocus Wire

The SiteMinder trends report for 2023 was based on 115 million hotel bookings. Booking.com remained the most popular booking channel.

Legal Views on Distribution

January 17, 2024 via foster.com

Year in Review: What we learned in 2024 that we will be talking about in 2024.