

Duff on Hospitality Law

OTA & Travel Distribution Update - March 3rd, 2017

By Greg Duff on 3.10.17

Our weekly client OTA & Travel Distribution Update for the first week of March 2017 is below.

- **La Quinta Expands Loyalty Program [OTA].** La Quinta is the latest chain to announce significant revisions to its loyalty program (La Quinta Returns). Similar to the recently announced changes by Hilton to its Hilton Honors, La Quinta's changes, among other things, allow members to use points toward the purchase of everyday items, including groceries, restaurant meals and other online purchases. Other changes include Instant Free Nights (which allow members to redeem free nights at check in), allowing members to combine cash and points for free nights and Every Night Counts (which allows members to earn credit toward an elite level even if the rate does not qualify for points).
- **Perhaps We've Found One Benefit Associated with the Trump Administration [OTA].** Back in late October and early November of last year, we included in our update an announcement by the Department of Transportation that it was seeking information on airlines' practices of not making airfares available on certain distribution platforms (together with other practices). At the time we featured this announcement, we questioned (yes, while recognizing the big difference between the airline and hotel industries) whether this move by the DOT (which at the time was believed to be the handiwork of lobbyists for the OTAs and metasearch sites) would possibly lead to greater scrutiny of hotels' practices of limiting access of rates and inventory (perhaps led by the FTC under pressure from similar lobbyists). Fear no more. The DOT (under the new Trump administration's leadership) announced on Friday that it was suspending the investigation.
- **Customer Experience Continues to Suffer in Current Distribution Landscape [OTA].** McKinsey & Company's Travel, Transport & Logistics Group issued an interesting report last week on the state of travel distribution. In its report, McKinsey offers its perspective on the key trends in today's rapidly changing distribution landscape – innovation by emboldened suppliers, consolidation and global growth by OTAs and other intermediaries, a maturing mature that relies increasingly on mobile, and the emergence of new models – and opines that these trends are causing many industry players (both hoteliers and distributors) to lose their focus on the customer experience. An interesting read.

La Quinta Launches Enhanced Loyalty Program

IRVING, TX—La Quinta Holdings Inc. has a new, integrated marketing campaign to support the launch of enhancements to its award-winning loyalty program, La Quinta Returns, including the debut of its “Winning @ Business” television and digital campaign.

Hotel Business.com News, Mar 2, 2017

U.S. suspends Obama airline transparency review

By David Shepardson WASHINGTON (Reuters) - The Trump administration said on Friday it is suspending action on an Obama administration decision in October to probe a long-time practice by some airlines of preventing various travel websites from showing their fares and whether to require transparency in airline baggage and other.

Reuters, Mar 3, 2017

The (ongoing) trouble with travel distribution: Customer experience

The industry’s rapid evolution continues unabated. To profit through this turbulence, leaders must focus on what really matters—the customer.

McKinsey Insights & Publications, Feb 27, 2017

Other news:

Booking travel? There’s a chatbot for that

According to The New York Times , 1.6 billion people used a messaging app in the last year and usage is expected to grow to two billion users in 2018. While some of the largest travel brands, such as Expedia and Kayak, use Facebook Messenger to connect users to customer.

Mintel News, Mar 1, 2017