

Duff on Hospitality Law

OTA & Travel Distribution Update - June 16th, 2017

By Greg Duff on 6.23.17 | Posted in OTA Update

Our weekly client OTA & Travel Distribution Update for the week ending June 16, 2017 is below. Several interesting stories this week...

Price-Fixing Technology the Subject of EU Regulators [PARITY]

("Enforcers Must Watch for New Algorithmic Price Fixing Online, EU Says," Mlex Market Insight, June 15, 2017)

As a follow up to a story we featured back in March of this year, we again this week highlight the work of the European Commission in the area of technological-based price fixing. Last week, both the European Commission and the EU's Organization for Economic Co-operation and Development issued reports looking at the growing use of pricing algorithms and their associated anti-trust (price-fixing) challenges. Although the reports focus heavily on traditional online retailers, online travel agents didn't escape the regulators' attention.

Mega Hosts Playing an Increasingly Important Role with Airbnb [SHORT-TERM RENTALS]

("Mega-Hosts Are Transforming Airbnb Into A Travel Booking Site," Bisnow Commercial Real Estate News, June 13, 2017)

Citing details from BuzzFeed and Inside Airbnb, Bisnow reported last week on the growing significance of "mega hosts" on Airbnb. According to BuzzFeed, approximately 50% of U.S. property managers now use Airbnb as a formal distribution channel (e.g. Expedia). Inside Airbnb reports that more than 100 hosts on Airbnb are now responsible for more than 100 listings each.

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Robust Content Offerings Now Available on Expedia [OTA]

("Location Location Location: Expedia Helps Hotels Showcase Local Landmarks and Experiences," Hospitality Net - Latest Industry News, June 13, 2017)

Expedia announced last week its worldwide rollout of Expedia Partner Central's (EPC) Points of Interest. This new tool allows suppliers to feature a custom list (together with appropriate content – narrative, photos, etc.) of up to 10 nearby landmarks, activities and experiences in their properties' listings. It will be interesting to see how (if at all) Expedia addresses EPC Points of Interest in its next variation of form supplier contract, particularly with regard to ownership and use of the landmark content that properties might provide. What better way to create a robust library of local landmarks, activities and experiences than to have your contracting suppliers provide it to you...

Amazon Acquires Whole Foods [E-COMMERCE]

Regardless of where you might live or work, it was hard to avoid last week's news regarding Amazon's purchase of Whole Foods. Having served as in-house counsel for two pioneers in the online grocery business (both Seattle-based Homegrocer.com and Bay Area based Webvan), I viewed the announcement as a validation of sorts of the business model we worked so hard to launch in 1999 - 2000. I also viewed the announcement as yet another sign of the many changes that lie ahead in the travel industry and, in particular, how and with whom one might work to identify, evaluate, select, book and review a hotel stay. Exciting times are ahead.

Other news:

Hyatt may nix partnership with Expedia over fees

Chicago Business Journal, June 16, 2017

Hyatt Hotels warned Expedia Thursday that an early departure may be imminent. The Chicago-based hotel chain could exit the Expedia platform by July 31 if the website doesn't lower its commission rates, according to Hotels Magazine.