

Duff on Hospitality Law

## **OTA & Travel Distribution Update - Aug. 11th, 2017**

By Greg Duff on 8.18.17 | Posted in OTA Update

This week's OTA & Travel Distribution Update for the week ending August 11, 2017 (where has summer gone) is below. Compared to recent weeks, this past week was relatively quiet on the distribution front.

### **Priceline Revealed [OTA]**

*("The world's largest online-travel company," The Economist - Business & Finance, July 27, 2017)*

Two weeks ago, the *Economist* featured a highly-flattering overview of Priceline and its many online travel businesses. For those of you who don't read the *Economist* or who didn't see the article, we include it in this week's Update. In short, the article describes Priceline as the often-overlooked online platform (overlooked perhaps because of its Connecticut, not Silicon Valley, address) that performs as well as, or even better than, many of its fellow technology titans (e.g. Apple, Amazon, Google, Netflix and Expedia).

### **Marriott Gets Fliggy [OTA]**

*("Marriott, Alibaba partner to run Chinese travel site," USA Today - Money News, August 7, 2017)*

In its widely covered announcement last week, Marriott shared details of a new joint venture with Chinese e-commerce platform, Alibaba Group Holding. Highlights of the new joint venture include (a) greater distribution of Marriott properties on Alibaba's travel website, Fliggy; (b) creation of a new Marriott "storefront" on Fliggy that will feature Marriott promotions and services at its properties and allow Chinese travelers to enroll in Marriott's loyalty program; and (c) acceptance of Alibaba's online payment service (Alipay) at some Marriott hotels. Looks to me like another Marriott homerun...

### **Is Food Delivery the Next Distribution Frontier? [METASEARCH]**

*("TripAdvisor's Global Food Delivery Expansion Pressures Hotels to Adapt," Skift Travel News, August 9, 2017)*

In an effort to further grow its non-hotel revenue business, TripAdvisor announced last week the expansion of its online food-delivery business internationally (in 12 countries) through a new partnership with Deliveroo. So far, hotels seem willing to support these new online service providers, though growth in the food delivery businesses (think UberEATS) is forcing hotels to re-examine their own in-room food delivery offerings. TripAdvisor is paid for facilitating the

online food deliveries, but the real benefit here may be cementing travelers' use of the TripAdvisor platform to not only explore, book and review their accommodations, but to facilitate the purchase of in-stay services and amenities.

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Other news:

**Twin Cities look to regulate Airbnbs as Super Bowl nears**

*McClatchy - DC, August 10, 2017*

Officials in the Twin Cities are trying to decide how best to deal with Airbnb short-term home rentals as the Super Bowl approaches. St. Paul has a proposed regulation that would limit rentals to only accommodating four unrelated adults. It would also require hosts to collect city taxes and become licensed, Minnesota Public Radio reported. The rental cap could hurt business for some Airbnb hosts. Airbnb said the Twin Cities had almost 1,400 hosts who saw about 75,000 guests last year.

**Priceline Is Making a Land Grab on Airbnb's Turf by Adding Rental Inventory**

*Skift Travel News, August 9, 2017*

The Priceline Group is the colossus of hotel bookings but it is playing catch-up when it comes to vacation rentals. Yet CEO Glenn Fogel sounds determined to hone in on Airbnb's territory.