

Duff on Hospitality Law

OTA & Travel Distribution Update - Dec. 22nd, 2017

By Greg Duff on 12.28.17 | Posted in OTA Update

This week's OTA & Travel Distribution Update for the week ending December 22, 2017 is below. An interesting mix of stories in this penultimate Update for 2017. I hope everyone has a great holiday and successful 2018.

FTC Settles Claims Against Fraudulent Travel Websites [OTA]

("Hotel Room Resellers Settle FTC Charges That They Misled Consumers," Federal Trade Commission Consumer Protection Press Releases, December 22, 2017)

By now, everyone should be familiar with the ongoing efforts of the American Hotel & Lodging Association (AH&LA) to call out and put an end to the misleading practices of certain travel websites that hold themselves out as being affiliated with a particular hotel or hotel chain. These efforts appear to be having some success. This past week, the Federal Trade Commission (FTC) announced a settlement with Reservation Counter, LLC (and its parent companies) over the travel websites' distribution practices. According to the FTC's complaint, the websites' display ads, websites and call centers gave travelers the impression that they were dealing directly with the listed hotel. Additional allegations focused on the websites' failure to provide travelers inadequate notice regarding loyalty program participation, applicable cancellation policies and payment terms. The settlement reached by the FTC prohibits the websites from, among other things, using any hotel name or logo in any search engine display ad, URL, website or other advertising in a misleading way. The settlement order also requires the websites to disclose to callers that they have reached an independent, third-party travel agency, not the advertised hotel.

Splitty Completes Seed Round [OTA]

("Splitty raises \$2.4 million for its hotel search platform," Tech.eu, December 21, 2017)

Booking engine Splitty announced last week that it completed a \$2.4 million seed investment round. As its name implies, Splitty seeks to provide its users discounted room rates unavailable through traditional booking platforms or metasearch sites by splitting users' multi-day itineraries into a combination of related bookings (e.g. a 5-day itinerary is broken into two separate bookings of 2-days and 3-days). It will be interesting to see how hoteliers respond to this platform and its multiple, related bookings that are designed to defeat length-of-stay rates. According to the announcement, Splitty will be using funds from this latest investment for a variety of product development initiatives.

Airbnb's Branded Facilities Gain Momentum [SHORT-TERM RENTALS]

("Brookfield to invest \$200M in Airbnb home-sharing spin-off Niido," The Real Deal - Miami, December 19, 2017)

A few weeks ago we featured a widely-publicized [story](#) about newly announced Airbnb-branded accommodation in Orlando, Florida. Airbnb's plans took a huge step forward this past week with Brookfield Property Partners' announced \$200 million investment in Airbnb's spinoff Niido. The investment will be used to purchase multi-family projects in Miami, Fort Lauderdale and Tampa and then "optimize" them for home-sharing through Airbnb's platform. Tenants in the building will lease their units annually with the ability to rent them nightly for up to 180 days. These projects are beginning to sound a lot like the condo hotels of the early 2000's.

Other news:

MakeMyTrip launches 'Made for You Holidays' ahead of festive season

(Business Standard - General News, December 21, 2017)

India's leading online travel company MakeMyTrip on Thursday announced the launch of its new product 'Made for You Holidays' for the booming domestic travel sector in India. Launched alongside the Christmas holiday season, these 150 holiday experiences offer a range of handpicked escapades for discerning travellers."