

Duff on Hospitality Law

OTA & Travel Distribution Update - SwayPay seeks to simplify payment processing and Hotel Bonanza hits the 10,000 mark in hotel listings

By Greg Duff on 3.9.18 | Posted in OTA Update

This week's OTA & Travel Distribution Update for the week ending March 2, 2018 is below. Nothing too remarkable in this week's Oscar-shortened Update.

SwayPay Seeks to Simplify Payment Processing (and Reduce Fraud in the Process)

("How SwayPay Aims To Revolutionize Online Checkout," Forbes News, March 2, 2018)

A lot of attention has been paid these past few months to the many problems with online payment systems. Add SwayPay to the list of vendors purporting to solve these challenges. According to SwayPay, use of its application can reduce checkout time to 12 seconds (compared to 2-3 minutes for most other systems). Use of the application will also soon provide consumers instant discounts and cash paybacks. As for fraud, something the founders of SwayPay experienced personally during their time at online travel companies, payments are authorized through the use of biometric verification (fingerprint, iris and facial).

Hotel Bonanza Hits the 10,000 Mark [OTA]

("Low-commission OTA Hotel Bonanza racks up 10,000 hotel listings," Phocuswright, March 2018)

An OTA that charges 8% commissions, doesn't demand rate parity and displays search results by proximity to a user's location (and not the amount of consideration paid)? Too good to be true, you say? You might be right. Hotel Bonanza last week announced that it had reached 10,000 hotel mark in the midst of an aggressive expansion effort. How Hotel Bonanza believes it will be able to generate the revenue needed to sustain the kind of major advertising campaigns needed to take on Expedia and Booking Holdings (see our last story) on 8% commissions remains to be seen.

Other news:

Cities in Arkansas See Victory in Online Travel Tax Case

Arkansas Business, February 26, 2018

Arkansas municipalities recently won a rare legal victory against online travel companies over

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the taxes paid on the price of a hotel room. For years, OTCs such as Hotels.com, Hotwire, Expedia and Travelocity allegedly shorted tax revenue to Arkansas counties, cities and advertising and promotion commissions because they remitted taxes based on the room price they negotiated with hotels. Meanwhile, they were collecting taxes from customers based on the price actually paid for the room and pocketing the difference.

Travel Giant Booking Holdings Shrugs Off Airbnb Competition

Bloomberg Markets, February 27, 2018

Booking Holdings, the online travel giant that last week changed its name from the Priceline Group, beat analysts' profit estimates showing the effort of shifting to TV advertising from online promotion is beginning to pay off. The shares jumped 7 percent in extended trading in New York to \$2,030. Booking is spending heavily on new television spots to highlight its main brand in the U.S., where it traditionally hasn't had much of a presence.