



Booking's price-parity strategies trigger Italian dominance-abuse probe (update*)

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By [Tono Gil](#)

Booking's web-scraping strategy to match lower accommodation prices in other sites, along with its program to offer greater visibility to hotels for a higher fee, are under investigation in Italy over dominance-abuse concerns. The national watchdog said that the platform could be excluding competing online travel agencies from the market with a strategy of "similar effects to those deriving from the application of parity clauses."

Booking's web-scraping strategy to match lower accommodation prices in other sites, along with its program to offer greater visibility to hotels for a higher fee, are under investigation in Italy over dominance-abuse concerns.

The Italian competition authority said today that the simultaneous application of these two practices could have "similar effects to those deriving from the application of parity clauses" and would exclude competing online travel agencies from the market.**

This fresh probe comes shortly after Booking said it would soon notify its gatekeeper status to the European Commission under the Digital Markets Act, a law which introduces a ban on the use of parity clauses.

A spokesperson for Booking said: "While we are working with the authorities on this matter, we absolutely believe that concerns around competition should be handled with the EU directly, in line with their current regulatory proposals – not additionally on a country-by-country basis."

These clauses are deals to ensure that sellers don't offer their goods in other sites for a lower price or under better terms.

Booking has faced antitrust scrutiny all over Europe for the imposition of these clauses, but according to the Italian watchdog, it has now found a way around them.

The antitrust probe was triggered by complaints from the accommodation associations Federalberghi and Acia. The watchdog also held hearings with Expedia and Lastminute, which are Booking's main competitors in the online travel agency space.

The national authority also carried out dawn raids at the company's premises yesterday.

– Two-fold strategy –

Booking invites sellers to participate in its "preferred partners program," which gives them further visibility in ranking and more earning potential in exchange for a higher commission to the accommodation platform.

One of the requirements to enter this program is to apply a price on Booking that's equal to – or lower than – the one charged on other sites on in the seller's own website, the decision reads.

The platform can also apply a “sponsored discount” for the rooms of sellers that have joined its facilitated payment service. The discount is financed entirely by Booking, which waives part of the commission received from the partner seller to reduce the price of the room, the authority said.

The amount of the discount is determined by a “machine learning algorithm,” and is shown only to consumers considered “price sensitive.”

However, the watchdog says that in practice, Booking only applies this discount when it discovers through web scans that sellers are offering their rooms for a lower price on other sites.

On the one hand, Booking locks in profitable sellers through its visibility-enhancing mechanism. On the other, it applies discounts “unilaterally” to other sellers, “limiting their autonomy” to define their commercial policies,” the authority said.

“This way, Booking increases the number of customers and increases their loyalty to its platform, which, given the important indirect network effects, could lead it to further increase its market share in the long term,” the Italian watchdog concluded.

This probe comes hot on the heels of a similar one in Spain which, according to Booking, could lead to an antitrust fine of \$530 million (see [here](#)).

The platform could also become a DMA gatekeeper soon, which would force it to drop any parity clauses it could have in place.

** Updated on March 22, 2024 at 15:03 GMT: Adds comment from Booking*

*** MLex translation from the original Italian.*

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