



The War Rages: Hotels vs. The Distribution Disruptors

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Navigating Disruptive Climates
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Tulip Resort Casino

NAVIGATING
DISRUPTIVE
CLIMATES
WASHINGTON LODGING CONVENTION
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About Garvey Schubert Barer

110 Lawyers in 5 offices – Seattle, Portland, New York, Washington, D.C. and Beijing

Hospitality, Travel & Tourism Practice dedicated to hotels, restaurants, tour operators, cruise companies, airlines and industry associations

Chair - 23 + years lodging industry experience – former in-house roles with Starwood, Webvan.com and Columbia Hospitality

The War Rages: Hotels vs. The Distribution Disruptors

History

- 1996 - Microsoft launches Expedia
- 1998 - Google founded
- 1998 - Priceline launched
- 1999 - Ctrip launched



Priceline Group



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History

- 2000 - TripAdvisor launched
- 2001 - Orbitz launched
- 2004 - Expedia acquires TripAdvisor for \$210m
 - Facebook launched
 - Kayak launched
- 2005 - Priceline acquires Booking.com for \$135m
- 2008 - Airbnb launched



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History

- 2010 - Google acquires ITA Software for \$700m
 - JetSetter Launched
- 2011 - Google launches HotelFinder
 - Expedia spins off TripAdvisor
- 2012 - RoomKey launched



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History

- 2013 - Expedia invests \$632m in Trivago
 - TripAdvisor launches booking engine
- 2014 - Priceline acquires Open Table for \$2.6b
 - Priceline acquires buuteeq
- 2015 - Expedia acquires Orbitz for \$1.6b
 - Expedia acquires HomeAway for \$3.9b
 - Accor opens booking platform to independent hotels
- 2016 - Hilton, Marriott, Hyatt...launch direct booking campaigns
 - Marriott acquires Starwood for \$12.2b
- 2017 - Airbnb turns a profit; Raises \$1b in latest funding round
 - Short-term rentals go mainstream
 - Metasearch rises to prominence
 - Loyalty, loyalty, loyalty



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Distribution – Changing World

- “Booking Brands” vs. “Stay Brands”
- Converging Business Models
- Consolidation
- Anti-Trust

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Contracting Considerations

- Know Your Partner
- Know Yourself
- Be Realistic



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Key Contract Terms

- Term
- Enrollment
- IP Protection
- Booking Prices / BRG
- Affiliate Networks
- Mandatory Fees



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Key Contract Terms Continued

- Connectivity
- Tax Liability / Indemnity
- Guest Data
- Loyalty Program Considerations



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Parity

- Parity Today
- Knowledge Is Everything
- Direct Booking



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Future Contracting Battlegrounds

- New Industry Segments
- New Products (B2B)
- New User Interfaces



Questions?



CONTACT

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