

Duff on Hospitality Law

## **OTA & Travel Distribution Update - Aug. 25th, 2017**

By Greg Duff on 9.1.17 | Posted in OTA Update

Our weekly OTA & Travel Distribution Update for the week ending August 25, 2017 is below. This week's Update once again shows that August is shaping up to be a relatively quiet month in the distribution world.

### **Yet Another Start Up Seeks to Make Short-Term Rentals More Like Hotels [SHORT-TERM RENTALS]**

*("Startup seeks to make vacation rentals more hotel-like," San Francisco Chronicle - Front Page, August 24, 2017)*

Over the past few months, we have highlighted a number of new companies seeking to further commercialize short-term rentals by offering guests and hosts a variety of "hotel-like" standardized services. Add Bay Area startup, [RedAwning](#), to that growing list. RedAwning serves as an intermediary between guests and commercial property managers and uses that position to provide a variety of services including marketing support, reservation processing and customer support.

### **Airbnb: Just Another Distribution Channel [OTA]**

*("Miami hotels are making money on Airbnb," Miami Herald, August 23, 2017)*

The *Miami Herald* featured a story last week about Miami-Dade hoteliers' increasing use of Airbnb like any other distribution channel. These hoteliers are a part of the purported (according to Airbnb founder, Brian Chesky) 15,000 boutique hoteliers nationally to list their inventory on the short-term rental site. With commissions on Airbnb a fraction of what a hotelier might pay Expedia or Booking.com (3% on Airbnb vs. 15-25% on Expedia) and the ability to communicate directly with guests (without use of an email alias provided by the distributor), the allure is understandable. As the story details, however, use of these new distribution channels is not without its challenges.

### **Airbnb: A Hedge Against OTAs? [OTA]**

*("Hilton Thinks Airbnb Is a Positive and 5 Other Hospitality Trends This Week," Skift Travel News, August 19, 2017)*

Continuing with our Airbnb theme this week, our last story features comments last month from Hilton CEO, Chris Nassette, lauding the benefits of increased competition among OTAs. According to Chris, as Airbnb transitions itself to become more like an OTA (e.g. instantly bookable accommodations), the increased competition among distribution channels should

result in lower overall distribution costs. Only time will tell whether changes at Airbnb (and other similar platforms) and the many third-party companies that support it will positively benefit hoteliers through increased competition among distribution points or will further empower non-traditional hoteliers' ability to leverage their regulatory, tax and other advantages to the detriment of hoteliers.

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Other news:

**Travelport Signs MakeMyTrip Deal as the India Online Travel Agency Diversifies Its Distributors for Now**

*Skift Travel News, August 23, 2017*

Travelport's distribution deal with India's largest online travel agency suggests that it can punch above its weight. But Travelport still faces a struggle against its much larger competitors.

**Bookeo Partners with Expedia Local Expert to Streamline Bookings for Tours and Activities**

*PRWeb, August 22, 2017*

Bookeo and Expedia Local Expert (LX) distribution relationship enables Bookeo customers to share and offer tours and activities inventory on Expedia's global travel marketplace – with real time accessibility, 24/7.