

Duff on Hospitality Law

OTA & Travel Distribution Update - Recent important OTA developments largely ignored; Sabre continues portfolio diversification as short-term rentals become even more mainstream; Expedia quietly expands its Asian influence

By Greg Duff on 8.31.18 | Posted in OTA Update

As the days of summer come to an end, activity in the distribution world has begun to pick back up again. I hope you enjoy.

Recent Important OTA Developments Largely Ignored?

("Online travel agency moves harming profitability: What hotels need to know," Phocuswire, August 24, 2018)

This is not the first time we have warned our readers about these two newly promoted OTA programs – Expedia’s [Add-On Advantage](#) and Booking.com’s [Booking.Basic](#). If you missed our previous stories on these two programs, please take the time to read Max Starkov’s piece from PhocusWire below. Although the names are new, the practices are not. The good news, as Max points out, is that there are measures that can be taken contractually to counter each of these programs (some of the same measures we attempt to put in place with each contract we review), but it all begins with awareness.

Sabre Continues Portfolio Diversification as Short-Term Rentals Become Even More Mainstream

("Travel Agents Get a Dose of the Sharing Economy Through Sabre Deal With Booking," Skift Travel News, August 22, 2018)

In an attempt to provide its travel agent customers with better access to alternative accommodation forms, Sabre announced last week that it was beginning implementation of its distribution agreement with Booking.com. When fully implemented, the Booking.com agreement will allow travel agents and their customers access to Booking.com’s millions of hotels and most importantly, over 5 million vacation rentals and apartments. With the Booking.com addition, Sabre’s increasingly diverse portfolio of lodging properties will include the inventories of four distribution intermediaries.

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Expedia Quietly Expands Its Asian Influence

("Expedia Hedges Its Asia Bets With Brands, Affiliates and Investments," Skift Travel News, August 20, 2018)

While Booking Holdings has advanced across Asia over the past few years with its highly-publicized acquisitions and investments (Ctrip, Didi Chuxing and Meituan-Dianping), Expedia has been quietly assembling the pieces (both new and old) for its own Asian campaign. Through a combination of investments (Traveloka), use of its worldwide affiliate network to power existing regional distributors and wholesalers, and investments in its own existing brands (Expedia and Hotels.com) in the region, Expedia believes it is poised for long term success. With online travel reaching the saturation point in North America, Asia and other underserved regions will continue to be targeted for growth.

Other news:

Air Canada Begins Using a New Way to Distribute Fares to Partners

Skift Travel News on Aug 24, 2018

The airline industry has talked a lot about how it can use new distribution capabilities to embrace novel ways of retailing airfares to corporate and leisure travelers. But airlines and travel agencies have only begun to process transactions via the new ways. The shape of the future is unclear. For a glimpse at what may come, look to Air Canada, which this week processed its first transaction via a new platform called NDC Exchange.

Generator Doesn't Want to Be Known as a Hostel Brand Anymore

Skift Travel News on Aug 20, 2018

Does it really matter whether you call a place to stay a hostel or a hotel anymore, anyway? London-based Generator has always been known as a brand eager to upend preconceived notions about what a hostel could be.