

Duff on Hospitality Law

## **OTA & Travel Distribution Update: Lola finds a home?; Orbitz expands its loyalty program benefits; Sabre acquires Farelogix**

By Greg Duff on 11.21.18 | Posted in OTA Update

Stories detailing investors' renewed interest in travel technology feature prominently in this week's stories.

### **Lola Finds a Home?**

*("Will Lola's New Partnership With AmEx Revive the Struggling Startup?" Skift Travel News, November 13, 2018)*

Readers of our Update will likely recall the many stories we have featured over the past few months about Lola, the mobile-only, chat-powered travel booking application featuring real live AI-enabled travel agents. Since introducing the application in 2016, co-founder Paul English has evolved Lola from a leisure / business travel application, to an individual business travel application, to now, with its recently announced partnership with American Express Global Business Travel, a broad-based, managed business travel application for the masses. With this partnership, Lola gains access to thousands of repeat business travelers (together with the benefit of American Express' many preferred hotel and airline connections), while American Express gains access to technology that may allow it to provide travel management services to businesses traditionally too small to use American Express' traditional travel tools.

### **Orbitz Expands Its Loyalty Program Benefits**

*("Orbitz adds LoungeBuddy passes and travel reimbursement to its rewards program," PR Newswire - News Releases, November 16, 2018)*

Orbitz (one of Expedia Group's many online travel booking engines) announced plans last week to expand the rewards available to Platinum members of its loyalty program, Orbitz Rewards. Platinum members can now choose between TSA Precheck or a LoungeBuddy pass as well as reimbursement (in the form of immediately redeemable Orbucks) for up to \$50.00 of travel related expenses. As Orbitz (and other OTA loyalty programs) expands its benefits, hoteliers should expect further challenges with OTA's use of immediately redeemable loyalty rewards to reduce marketed room rates.

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### If You Cannot Beat Them, Acquire Them

*("Sabre to Buy Farelogix for \$360 Million to Help Airlines Sell Better," Skift Travel News, November 14, 2018)*

Last week, old-world technology giant Sabre announced its purchase of upstart Farelogix. Those of you familiar with the rapidly evolving world of airline distribution will recognize Farelogix as one of the leading technology (NDC) providers allowing airlines (including American, Air Canada, Delta and others) to bypass traditional GDS platforms and instead provide richer, fuller content directly to travel agents. What's perhaps most interesting about this recently announced acquisition is that over the past few years Sabre and Farelogix have been bitter enemies. In both court filings and public forums, Sabre has been openly hostile to Farelogix and the technology shift it represents. Whether these enemies (with drastically different approaches to distribution) can now work symbiotically will be interesting to watch. What may be even more interesting is how airline customers of Farelogix (many of which have publicly rejected Sabre and its old-world GDS cohorts) respond to the prospect of once again conducting business with Sabre.

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Other news:

### Travel Tech Firm Sojern Raises \$120 Million

*Skift Travel News, November 13, 2018*

Sojern, a technology company focused on helping drive more business for travel companies, has raised \$120 million in a Series D round of investment. The San Francisco-headquartered Sojern had previously raised \$42.5 million in venture capital funding. TCV (formerly Technology Crossover Ventures), a venture capital firm that was an investor in Expedia, Airbnb, HomeAway, and TripAdvisor, led the round.

### Travel startups are taking off

*Tech Crunch on Nov 12, 2018*

The second wave of Internet-era travel companies has captured the attention of venture capitalists. In the last five years, travel companies have raised more than \$1 billion in venture capital funding. That includes short-term rental startups, travel and tourism apps, marketplaces for "experiences" and other travel or hospitality tech platforms. Airbnb, a \$38 billion company and an anomaly in the category, has raised \$3 billion in that same time frame, according to PitchBook. "Something is really happening in the industry; something bigger than us," TripActions co-founder Ariel Cohen said in a recent conversation with TechCrunch about his company's \$154 million Series C financing.

### Vueling Holidays launches in partnership with Expedia

*Breaking Travel News - Headlines on Nov 9, 2018*

In an exclusive agreement, Vueling Holidays, powered by Expedia's white-labelled online template, gives travellers access to flight and hotel package deals, including Expedia Group's

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global supply of more than 500,000 accommodations in over 25,000 destinations worldwide.