

Duff on Hospitality Law

## **OTA & Travel Distribution Update: Priceline is back full steam despite change in name and business model; Resellers running amok with hotel rates**

By Greg Duff on 1.4.19 | Posted in OTA Update

### **Despite a Change in Name and Business Model, Priceline is Back**

*("Remember Priceline? After a Comeback and a Name Change, It's Betting Big on China," Wall Street Journal - Business, December 28, 2018)*

Booking Holdings Inc. (fka Priceline.com) is back. The attached Wall Street Journal story provides a great overview of Booking Holdings' rise from the 2001 dot-com ashes as its market value grew from less than \$200M to greater than \$100B (earlier this year). From all appearances, Booking Holdings is now betting its future on Chinese travelers and the many travel technology companies that cater to them.

### **Where Have You Heard This One Before? Resellers Running Amok with Hotel Rates**

*("Hotels Struggle to Stop Resellers From Undercutting Their Rates," Skift Travel News, December 26, 2018)*

Clients expressing anger and frustration about the abusive practices of rogue wholesalers (and their often opaque online distribution partners) has become a weekly occurrence. According to a report released last week by OTA Insight, our clients are not alone. According to the report, small online travel agencies have this past year displayed rogue discounts at major chain hotels 24% of the time and rogue discounts at independent or local chain hotels 41% of the time. Whether you blame the rogue wholesalers anxious to move inventory or the meta or referral sites that promote the discounted inventory made available by the wholesalers, hoteliers are likely to get more forceful and creative in their approaches to curbing or ending the abusive behavior.

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Other news:

### **Michelin acquires online travel agency Tablet**

*Rubber News, December 28, 2018*

Michelin has acquired Tablet Inc., the online travel agency that specializes in offering "unforgettable and original experiences" at boutique and luxury hotels. Michelin sees Tablet's business model fitting with the "ethos" of its Michelin Guides business, according to Pascal

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Couasnon, director of gastronomic and tourist activities for Michelin.

**Why One Adventurous Taiwanese Travel Company Is Entering China As Others Look Elsewhere**

*Forbes - Entrepreneurs & Small Business News, December 27, 2018*

Rising costs, forced technology transfers and U.S. import tariffs are pushing Taiwanese companies to take their money outside China, sometimes after decades of investment. When it's time to expand, they scope out Vietnam, for example, or the home market instead of a new operation in China. But a Taipei-based online...