

Duff on Hospitality Law

OTA & Travel Distribution Update: European Commission finalizes its multi- year pricing probe into Meliá Hotels and tour operators; TripAdvisor asserts price control measures with its Experiences partners

By Greg Duff on 2.18.20 | Posted in OTA Update

We lead off this week's Update again with a story regarding ongoing regulatory activity in the EU. Enjoy.

European Commission Close to Wrapping up its Multi-Year Pricing Probe into Meliá Hotels and Tour Operators

("Meliá Hotels' EU pricing probe heads to conclusion," MLex Insight on Feb 7, 2020)

All indications signify that the European Commission is close to completing its multi-year pricing investigation into European tour operator pricing. The investigation is the result of an effort that began in May 2015 when the Commission announced a broad review of the online distribution of goods and services. In February 2017, the Commission focused its efforts on probes into (a) retail price maintenance efforts by electronics manufacturers and (b) the systematic partitioning of the EU market by both video game publishers and tour operators (and certain hotel partners like Meliá Hotels). As for tour operators, the Commission was focused on allegations that some of the largest European tour operators (Thomas Cook and TUI) and/or hotel groups were using geo-blocking technology to restrict access to certain discounted rates to residents in certain EU countries while providing those rates to residents in other EU countries (i.e. location-based discrimination). The announcement that regulators were prepared to discuss the results of their probe last week signals a likely end to the Commission's investigation and upcoming announcement of enforcement remedies.

TripAdvisor Asserts Price Control Measures

("TripAdvisor Takes Greater Pricing Control Over Tours and Activities," Skift Travel News on Feb 7, 2020)

In a somewhat confusing email to tour and experiences operator, TripAdvisor's tours and experiences business unit, TripAdvisor Experiences, announced plans last week to increase commissions and introduce a single commission rate for particular operators and locations. As

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part of its announcement, TripAdvisor Experiences further noted that it planned to adjust the retail price of certain tours and experiences (presumably, TripAdvisor's contracts allow it to set retail pricing) to align with the new commission rates. The announcement was confusing for many, and for some, was simply code for "raising commissions." What the announcement actually means and what effect it might have on an already struggling tours and experiences industry remains to be seen.

Other news:

ezTravel Cooperates with Appier to Provide Customized Personal Tourism Planning Services

DigiTimes - News on Feb 7, 2020

ezTravel, the largest Taiwan-based online travel agency, has cooperated with AI-based solution developer Appier to provide services for customized personal tourism planning using AI-based big data analysis. For users of its website or other websites, ezTravel analyzes their using behavior, such as keyword search and devices for Internet connection to profile their tourism behavior as reference for precise marketing.