

Duff on Hospitality Law

## **Online Travel Update: AirBNB Summer Update & Evolutions, EU Gatekeeper Process Begins, American Airlines Cracks Down on Re-shopping Technology, Resort Fee Changes, and More**

on 5.8.23

Our weekly Online Travel Update for the week ending Friday, May 5, 2023, is below. We hope you enjoy:

- **Airbnb Releases Summer Update.** Airbnb garnered much of the industry’s attention this past week with a series of announcements related to its release of its latest (summer) update. The update includes a number of important changes to the platform and the booking experience, including (i) a renewed focus on individual (cheaper) private rooms (“Airbnb Rooms”) with each listing featuring additional information about the room’s host, (ii) the addition of new, streamlined check-out instructions that are displayed prior to booking, (iii) “transparent” pricing (more on that later), (iv) discounted rates for longer lengths of stay or direct debit payments and (v) improved customer support. In a likely effort to address growing calls for regulation limiting the use of mandatory fees (i.e., cleaning fees), Airbnb’s release includes pricing toggles that allow users to view the total price (rate plus mandatory fees, excluding taxes). As many of us know, these types of toggles are used today by several major lodging operators and thus far have not satisfied regulators’ call for pricing transparency.
- **EU Gatekeeper Process to Begin.** For those of you who read our earlier stories about the EU Digital Markets Act (DMA), you’ll likely recall the significance of the DMA’s “gatekeeper” designation. Under the DMA, gatekeepers, which are large online platforms whose size allows them to act as private rule makers, will be prohibited from engaging in certain behavior. Of particular interest to our readers is whether Booking.com will receive the designation. If it does receive the designation, Booking.com, among other things, will

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be prohibited from requiring any form (narrow or broad) of rate or availability parity from its suppliers throughout the EU. Potential gatekeepers have until July 3 to provide required details about their core services to the EU Commission. The Commission then has until September 6 to decide whether the company satisfies the gatekeeper requirements. Designated gatekeepers will have 6 months to comply with the DMA's requirements.

- **American Airlines Seeks to Shut Down Use of Re-shopping Technology.** Over the years we've included a number of stories detailing re-shopping services – automated services that continuously monitor previously booked fares and rates and then automatically cancels and re-books flights and accommodations when the fares or rates drop. American Airlines has apparently had enough with these services. Last week, the airline announced that advisors that use the services after June 1 will be subject to debit memos or have access to certain American Airlines content cutoff. Additional penalties might also include suspension or termination of advisors' authority to sell the airlines' fares. Terms and conditions of the policy were distributed to advisors via an addendum to the advisors' agency agreement and added to customers' contracts of carriage (which applies to all customers).
- **Resort Fees and Other Mandatory Charges.** Changes are coming. With Marriott's rollout of display changes later this month, expect the change by Marriott (which many view as the gold standard on issues such as these) to be followed by noticeable changes by other industry suppliers in their display of rates. What about OTAs, you ask? Perhaps changes by Marriott and other industry members might finally force aspiring attorneys general and regulators to take a hard look at OTAs. Maybe. Let's hope.

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### Sabre Is Cutting 15 Percent of Its Workforce, Roughly 1,100 Jobs

*May 4, 2023 via Skift Travel News*

Skift Take Big tech companies everywhere have been dropping staff, and now it's Sabre's turn. This may also be a result of a permanently changed travel industry post-pandemic and Sabre's effort to keep up.

### Airbnb bets big on rooms, new checkout, pricing displays

*May 3, 2023 via Phocus Wire*

Airbnb's latest update includes a relaunch of private rooms with new enhanced host and property details, total price displays and a clear description of checkout chores in the listing.

### Airbnb has a new, old plan to eat into hotel business

*May 3, 2023 via Morningstar*

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Airbnb will promote private rooms more, with its CEO highlighting lower prices relative to hotels Airbnb Inc. Chief Executive Brian Chesky knows that accommodations on his platform have gotten "expensive," and he's hoping the company can get back to its roots more.

### **Gatekeeper designation process under EU's Digital Markets Act kicks in**

*May 2, 2023 via MLex*

The EU's Digital Markets Act to rein in Big Tech's abuses of power has become applicable today, the European Commission has said in a statement. From today until July 3, potential gatekeepers can notify the regulator which of their services would be subject to scrutiny.

### **American Airlines bans automated fare reshopping**

*May 2, 2023 via Travel Weekly US - Top Stories*

Starting June 1, American Airlines will prohibit travel advisors from making use of automated reshopping technology to change and rebook airline tickets. Advisors who engage in the practice could be subject to debit memos or having their access to portions of American's content removed.

### **Marriott to prominently display resort fees this month**

*May 1, 2023 via Phocus Wire*

Marriott is making this required move based on a 2021 settlement in a Pennsylvania court regarding resort fees as a deceptive practice.