

Duff on Hospitality Law

## **OTA & Travel Distribution Update - Brazilian antitrust authorities adopt narrow approach to rate parity; Group segment moves to online platforms; Priceline ends its bidding service for rental cars**

By Greg Duff on 4.6.18 | Posted in OTA Update

This week's OTA & Travel Distribution Update for the week ending March 30, 2018 is below. This week's Update features a heavy dose of OTA updates.

### **Brazilian Anti-trust Authorities Adopt Narrow Approach to Rate Parity**

*("Booking Sites Agree To Nix Hotel Pricing Limits In Brazil," Law360 - Technology, March 29, 2018) (subscription required)*

Just as we reported last week that Australian competition authorities were re-thinking the previously adopted "narrow" approach to parity, another country signs on to the same approach. Last week, the Brazilian Administrative Council for Economic Defense (CADE) announced that it had reached agreement with Booking.com and Expedia to limit their use of so-called broad rate parity and instead impose only narrow rate parity. According to announcement, the settlement agreement is expected to increase competition in the online travel sector benefitting both hotels and consumer. Someone might want to share with the CADE authorities the results of the investigation conducted last year by the UK's Competition and Markets Authority (which concluded, among other things, that hoteliers were generally unaware of (or afraid to use) the pricing opportunities afforded under narrow parity) or the basis of the Australian authorities' conclusion that narrow parity was ineffective in trying to improve competition.

### **Group Segment Moving to On-Line Platforms**

*("Online Booking Finally Becomes Reality for Meeting Planners," Skift Travel News, March 28, 2018)*

For some time now, I have ended each presentation that I've given on distribution with a slide on what I believe may be coming in the world of distribution. While many of my "crystal ball" points recently have focused on voice-activated assistants, one point has remained constant for some time – the anticipated migration of large (primarily leisure based) online booking

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platforms into the group segment (hello, Meeting Market). Skift last week featured an interesting interview with Meetingsbooker.com CEO and co-founder Ciaran Delaney, who not only agreed with my forecast (thank you), but also added some interesting perspective on the burgeoning world of online group bookings. Highlights for me included (i) the growing inventory of unique meeting venues (all of which are becoming available through such non-conventional venues' adoption of new online booking technologies, (ii) in contrast, traditional hoteliers' reticence to adopt these new technologies, and (iii) the huge potential benefit to hoteliers of a reliable (and immediate) online payment platform.

### **Shatner Is on Life Support**

*("The Death of Priceline's Name Your Own Price Is Likely Drawing Near," Skift Travel News, March 26, 2018)*

On Monday of last week, Priceline ended its Name Your Own Price bidding service for rentals cars. The termination follows Priceline's earlier decision to terminate Name Your Own Price bidding for airline tickets in 2016. Instead, Priceline is now offering users its opaque Express Deals feature that allows users the ability to book identified discounted rates (no need to wait for responses to submitted bids) with unknown airlines or rental car companies (and then learning of the subject airline or rental car company following booking). According to experts, this transition away from the long-standing bidding platform likely signals the end of Mr. Shatner and the Name Your Own Price bidding service that made Priceline.com a household name for many travelers. Tissue please...

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Other news:

### **A travel site by any other name: Expedia modifies moniker**

*GeekWire, March 26, 2018*

Expedia is changing its name. It's only a minor alteration, as Expedia Inc. has become Expedia Group. The new name brings it a little closer to one of Expedia co-founder Rich Barton's other companies: Zillow Group. CEO Mark Okerstrom is beginning to put his stamp on the company following his ascension to chief executive last year. The slight name change appears to be a part of that. "We are excited to introduce the new Expedia Group name and identity to better reflect the global nature of our business, more clearly articulating who we have become and who we aspire to..."

### **Expedia-owned Orbitz likely hacked, exposing 2 years of customer data**

*GeekWire, March 20, 2018*

Travel site Orbitz, which is owned by Expedia, said a "legacy travel booking platform" was likely hacked last year, exposing close to two years of customer data. The company disclosed the hack Tuesday, saying it discovered earlier this month that a hacker may have infiltrated the

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platform between October and December of last year. Orbitz said the hacker accessed customer names, birthdates, physical and email addresses and credit card information for customers who made purchases between January 2016 and December 2017. Orbitz added that it has “identified and remediated,” the incident, which affected 880,000 customer payment cards. Orbitz said it...