

Duff on Hospitality Law

Online Travel Update: More Platforms Turning to Fintech Products to Foster Growth

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This week's Update includes stories on fintech's continued growth and rumors regarding Sabre's possible future. I hope you enjoy.

More Platforms Turning to Fintech Products to Foster Growth

("Ixigo, Amadeus Latest to Add New Fintech and Payment Options," September 16, 2022 via Phocus Wire)

Indian travel app, Ixigo, and Amadeus both recently announced plans to adopt new payment tools to their booking platforms. Travelers booking air travel on Ixigo will now be given the opportunity to purchase "flexible" tickets that allow travelers to change their flight (dates of travel, airline and destination) and pay only the difference in fares. This new tool, Ixigo Flex, will supplement Ixigo's current offering, Ixigo Assured, which allows travelers to cancel a flight for any or no reason at any time. Amadeus announced plans to partner with fintech providers, Uplift and Fly Now Pay Later, to offer supplier partners and agencies the opportunity to provide travelers a new buy now pay later option.

What if Sabre Sold Its Hotel Software Business?

("What If Sabre Put Its Hotel Software Unit in Play," September 15, 2022 via Skift (subscription may be required))

Skift recently reported on internal discussions earlier this year at Sabre regarding a possible sale of some or all of its hotel software business to Oracle. While neither side would confirm the report, it is noteworthy that Oracle Hospitality's current leader, Alex Alt, was the former president of Sabre Hospitality Solutions, and Oracle Hospitality's prior leader, Greg Webb, was formerly vice chair of Sabre. Would such a sale make sense for either company? Maybe, particularly for a formerly cash strapped Sabre operating in an increasingly competitive market. Oracle too would benefit from the addition of Sabre's widely respected central reservation system and booking engine. While commentators believe that a sale is now unlikely, it does raise interesting questions for hoteliers considering or renewing agreements with Sabre (i.e., time to review again those assignment provisions), particularly those that have worked with Oracle in the past. One thing is always certain in the hospitality systems / solutions vendor world - change is inevitable.

Hoteliers Offered an Early Glimpse of Attribute-Based Shopping in Action

("An Early Look at New Attribute-Based Shopping for Hotels," September 14, 2022 via Phocus Wire)

While the industry waits for the large CRS providers to rollout their attribute-based shopping (ABS) platforms, a recent study by a small German PMS provider may provide insight into what benefits ABS might ultimately provide - for both travelers and hoteliers. Although the provider's sample size was incredibly small (only 14 independent hotels in Europe were examined from April - August 2022), some highlights from the study include:

- 97 percent of users had some interest in the ABS offerings (with 20 percent extremely interested)
- 18 percent of bookings processed during the five months period resulted from the ABS booking path (as opposed to more traditional paths - best rate, most popular, etc.)
- A majority (63 percent) of travelers paying more than \$251 per night are willing to pay more for a room with preferred features and amenities

Other News:

Airbnb C.E.O. Brian Chesky Says Competitors Have the Travel Marketing Funnel All Wrong

September 14, 2022 via Skift (subscription may be required)

The so-called travel marketing funnel for Booking Holdings and Expedia has indeed been a sieve. Domestic trips and remote work have propelled accommodations to a higher position in trip plans.

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