

OTA & Travel Distribution Update: Marriott's transition to Expedia Partner Solutions and recent successes with short-term rental program; MakeMyTrip's expansion into United Arab Emirates

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This week's Update features a number of stories on short-term rentals, which is a trend that we will likely see continue as interest continues to grow over Airbnb's long-awaited IPO. Enjoy.

Marriott Continues Its Transition to Expedia Partner Solutions

("Expedia Is Now Marriott's Exclusive Provider of Wholesale Rates for Travel Agents," Sep 14, 2020 via Skift Travel News) (subscription may be required)

Last fall, we (like every major distribution news outlet) featured a story detailing Marriott's decision to partner with Expedia Partner Solutions (EPS) on the re-distribution of Marriott properties' wholesale rates. This past week, the transition became official as EPS began emailing members and prospective members of the Expedia Travel Agent Affiliate Program and advising them that they would soon have exclusive access to higher margin wholesale rates for more than 7,400 Marriott properties (and with the transition to EPS comes the end of sourcing such rooms through legacy intermediaries (e.g., Hotelbeds)). In an effort to expand its Travel Agent Affiliate Program (which currently boasts 100,000 agents globally), Expedia is offering prospective affiliates a variety of offers, including increased commissions for bookings through December 31st. While Expedia has made efforts to expand its EPS wholesale offering, no other major brand has yet to follow Marriott's lead.

MakeMyTrip Expands to UAE

("MakeMyTrip announces foray into UAE," Sep 17th, 2020 via ZeeBiz - Companies)

This past week, Indian online travel agent, MakeMyTrip, announced plans to expand its travel offerings, such as airlines, hotels and travel packages, to the United Arab Emirates (UAE).

Marriott's Short-Term Rental Program Bears Fruit

("Marriott built its own 'Airbnb' before coronavirus crash. Did it help?" Sep 13th, 2020 via CNBC.com - NetNet)

At a time when all we hear about are the "unprecedented" declines suffered by some of the largest global hotel companies, Marriott's recent update on the success of its short-term rental platform, Marriott Homes & Villas, is welcome news. In a report recently shared with CNBC, Marriott reported that bookings were up 700 percent and revenues were up 800 percent, which were significantly higher this past summer over last summer from May to August. Since the launch of Marriott Homes & Villas in the spring of 2019, Marriott's inventory of professionally managed homes has increased from 2,000 to roughly 10,000 in 250 global markets. According to Marriott CEO, Arne Sorenson, the current success of Marriott's short-term rental product is reflective of travelers' changing preferences brought about because of the pandemic. Whether this recent success is enough to sustain the platform long term, particularly in the face of so many pandemic-related challenges, remains to be seen.

Other news:

Airbnb Will Get to its Long-awaited IPO With a Spring in its Step

Sep 17, 2020 via Phocus Wire

Airbnb filed for an initial public offering on August 19, 2020, after a tumultuous second and third quarter in which the company had its hands full dealing with the fallout of the COVID-19 pandemic, including laying off 25 percent of employees. The company deciding to go public this year might come as a surprise to many, given that travel is among the hardest-hit sectors of the economy.

Q&A: Air France-KLM on why NDC remains core to its distribution strategy

Sep 17, 2020 via Phocus Wire

Last week, Amadeus and Air France-KLM announced a new agreement, which will enable the GDS' customers to access NDC content from the airlines in the future. The deal has a number of interesting elements, such as the bilateral agreements needed between GDS and agencies and the airlines and agencies, and the surcharge to be paid on bookings. PhocusWire spoke to Emmanuelle Gaillard, Air France-KLM's Vice President for distribution, to get her thoughts on the agreement, the group's NDC strategy and the wider importance of the IATA-backed (International Air Transport Association) distribution standard.

The Short-Lived Vacation Rental Advantage Over Hotels Is Almost Gone

Sep 16, 2020 via Skift Travel News

The COVID-driven new world order in lodging, which saw vacation rental sellers such as Vrbo leading the pack among online travel brands, seems to have been short-lived - unless pandemic trends change anew. Although Airbnb and others have argued that the pandemic has reframed travelers' lodging choices for the long term and tilted them toward vacation rentals in mountain, beach and rural locations, the Skift Recovery Index found that global hotel bookings reached an equilibrium with vacation rentals in August compared with year-ago numbers.

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