

Duff on Hospitality Law

OTA & Travel Distribution Update – Job postings hint at TripAdvisor’s growing interest in travel packages; Orbitz held to be a taxable room broker

09.13.18 01.07.26

Job Postings Hint at TripAdvisor's Growing Interest in Travel Packages

(“TripAdvisor Hints at Its Growing Interest in Vacation Package Search,” Skift Travel New, September 6, 2018)

Since April of this year, TripAdvisor's job postings for open engineering positions have included references to "travel packages." The size of TripAdvisor's effort and what opportunities the effort might present for suppliers remain to be seen. TripAdvisor has for some time permitted third parties to feature packages for specific destinations and from time to time has included packages in flight search results. To date, however, TripAdvisor has relied on third parties to assemble the featured packages and not tried to create its own packages (which is typically quite difficult and could subject TripAdvisor to a never-before-seen level of EU scrutiny and oversight). With the package industry estimated to represent \$71 billion in gross bookings in 2018, it is no wonder that TripAdvisor is considering options for cracking the package code.

Orbitz Held To Be a Taxable Room Broker

(“Orbitz On Hook For Years’ Worth Of Phoenix Hotel Taxes,” Law360 – Retail & E-commerce, September 7, 2018) (subscription required)

In a break from tradition (and several years of national precedent largely favoring OTAs), an Arizona appellate court held last week that Orbitz and other OTAs were room brokers (not hotel operators) under the City of Phoenix's hotel tax code and therefore subject to tax on their sales of hotel rooms. According to the court, the fact that the OTAs (1) provide advertising and other services for hotels, (2) accept payment from travelers, (3) accept consideration for their services from hotels and (4) assist hotels with their taxable

operations makes them hotel brokers. Orbitz and the other OTAs are likely to appeal the recent ruling, so stay tuned...

Other news:

[American and Singapore Airlines Rework Loyalty Programs for China's Alibaba](#)

Skift Travel News on Sep 1, 2018

Just when you might have thought the Chinese online travel market might be stabilizing because Ctrip bought a couple of major competitors, along comes Tencent's Meituan Travel and Alibaba's Fliggy. The latter appeals to a younger demographic, a fact that many airlines may find especially appealing. Fliggy, Alibaba's online travel agency, appears to be doubling down on flights - particularly international flights - as a key arena in which it can get a leg up on anything both Tencent-backed ventures and Ctrip can throw at them. Presumably, Fliggy is vying for the Chinese travel market's more profitable market segments: travel-hungry millennials and international travelers.

Posted in [OTA Update](#)

Authored by

[Greg Duff](#)

[Principal|Seattle](#)

[206.816.1470](tel:206.816.1470) greg.duff@foster.com