Duff on Hospitality Law

OTA & Travel Distribution Update: Booking.com weighs in on the need for further EU regulation; Seattle law firm pursues Expedia again

12.28.18

Both regulatory investigations and consumer complaints feature prominently in this week's distribution news.

Booking.com Weighs In On the Need for Further EU Regulation

("Big tech firms push back against possible EU antitrust reforms," MLex, December 14, 2018) (subscription required)

Along with other technology giants, Microsoft, Google, Facebook and Spotify, Booking.com submitted last week its response to an European Commission consultation seeking feedback on whether current EU competition rules needed updating to deal with the evolving digital economy. Not surprising, the technology platforms were unanimously opposed to any updates to existing competition rules, arguing that the digital sector remains highly competitive and subjective to disruption. Booking.com, however, in a break from the others, argued in favor of strengthening the Commissions' competition enforcement resources, in part, to avoid the patchwork of investigations and enforcement actions Booking.com has faced from individual EU member states.

Seattle Law Firm Again Pursuing Expedia

("Expedia Faces Traveler Fee Lawsuit Alleging Tax Fraud and Racketeering," Skift Travel News, December 19, 2018)

Seattle law firm Hagens Berman filed suit this past week seeking class action status and accusing Expedia and Expedia Affiliate Network (EAN) member, Reservations.com, of tax fraud and racketeering. For those of you unfamiliar with Hagens Berman, the well-known consumer class action firm was part of earlier class-action litigation that Expedia settled in 2009 that arose out of Expedia's practices with regard to the

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collection of fees and charges. In contrast to the prior claims, these newest claims arise out of Reservations.com's practices of charging "tax recovery fees and charges" on Expedia's behalf. According to the complaint, these excessive fees and charges are then remitted by Reservations.com back to Expedia for payment to hotels of the applicable tax amount with the excess retain by Expedia. Expect more updates on this story as the litigation progresses.

Other news:

Travel agents want EU antitrust probe into Lufthansa surcharges
Reuters – Business News, December 19, 2018
Travel lobbying group ETTSA, whose members include Amadeus (AMA.MC) and booking.com, on Wednesday urged EU antitrust regulators to investigate Lufthansa's (LHAG.DE) surcharges and other allegedly discriminatory measures against travel agents.

Report: OTAs are in rate parity with major chains
Hotel Management News, December 19, 2018
OTAs are more likely to be in parity with major chains than independents and local chains, according to a recently released report from OTA Insight. “The North American Hotel Parity Report” examines rate-parity trends for second-quarter 2018, and shows there are significant parity-loss issues marketwide, with independents and local chains facing losses: 46 percent of tracked shops in comparison to 33 percent for major chains. A significant majority of parity loss from OTAs was from rates displayed 0 percent to 15 percent lower than brand.com rates. Issues coming primarily from non-contracted OTAs being out of parity-24 percent in the case of major chains and 41 percent of independents and local chains-suggest non-contracted OTAs are the biggest contributors to parity loss.

World of Hyatt Loyalty Adds New Milestone Rewards to Attract Wider Audience
Skift Travel News, December 18, 2018
Chicago-based Hyatt Hotels relaunched its loyalty program as World of Hyatt in March of 2017, and since then the hotel chain has been making fine tweaks every few months. This week, the program announced a change to the way in which it delivers ancillary perks to its elite members. Called Milestone Rewards, the new schema takes some of the traditional perks that came when earning tiers of elite status and breaks out the rewards into smaller segments earned across a wider window of time. At the Explorist elite tier, for example, which is typically earned after completing 30 qualifying nights, World of Hyatt members used to earn four club lounge access awards for use at participating properties. With Milestone Rewards, however, two of those lounge passes will be delivered at 20 nights while the other two come with Explorist status. Suite upgrades, too, will now be spread across the tiers.

Posted in OTA Update

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