

Duff on Hospitality Law

# OTA & Travel Distribution Update: Expedia consolidates its HomeAway and VRBO brands; Sonder raises \$170 million in funding; TripAdvisor adds COVID-19-response filters and tests out new travel advisor referral service Reco

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In this week's OTA & Travel Distribution Update, we cover TripAdvisor's busy week, including the announcement about its new travel advisor referral service, Reco. Enjoy.

## Say Goodbye to HomeAway

*("Expedia Group to Retire HomeAway U.S. Brand," Jun 24, 2020 via Hotel Business - News)*

Recently, Expedia announced that it was consolidating its short-term rental brands HomeAway and VRBO. Starting next month, users of the HomeAway website will be re-directed to VRBO, and users of the HomeAway mobile application will be directed to download and use the VRBO application. With the consolidation, Expedia will now focus its efforts and resources on a single short-term rental brand. The consolidation makes good on commitments made earlier this year by Barry Diller and others as part of the Expedia senior management overhaul.

## Sonder Solidifies its Unicorn Status

*("Sonder to Raise \$200 Million in Funding for Its Hotel and Short-Term Rental Model, Jun 25th, 2020 via Skift)*

Sonder, the short-term rental/lodging provider, announced recently that it had successfully raised \$170 million of its planned \$200 million Series E round of fundraising. This current investment round places Sonder at the value of \$1.3 billion, re-affirming its position as the second alternative accommodations

startup to achieve unicorn status (behind Airbnb). What's perhaps most striking about this current financing round (and valuation) is that this took place in the midst of a pandemic that has brought so many of its traditional lodging competitors to their knees. Some attribute Sonder's survival to its massive layoffs (nearly a third of its employees were terminated or furloughed); others point to its shift in focus to extended stays (the one relatively bright spot in traditional lodging segments). Regardless of the specific reasons, Sonder has been able to enjoy occupancy levels (40 percent at the pandemic's previous height) that would be the envy of any traditional lodging operator.

### **TripAdvisor Has a Busy Week**

*("Tripadvisor adds new COVID-response filters, prompts travelers to share safety details in reviews," Jun 25, 2020 via phocuswire.com; "Tripadvisor quietly tests consumer-to-travel agent service Reco," Jun 26, 2020 via phocuswire.com)*

As we noted at the outset, TripAdvisor had a busy week. First came [news of TripAdvisor's new tools and filters](#) to allow properties to highlight their COVID practices and policies and travelers to search for properties based on those practices and policies. TripAdvisor has also updated its review forms to allow guests who stay at a property to validate and review the practices in place. Hoteliers beware. While I appreciate the good intentions behind these new tools, they also seem likely to invite false and misleading information. Later in the week came [news of TripAdvisor's new travel advisor referral service, Reco](#). The new service is currently in beta testing here in the United States. Users of the service can provide desired dates of travel, length and type of stay, budget range and interests, and in return, Reco will introduce one or more vetted travel advisors with appropriate areas of expertise. Users who elect to work with one of the recommended travel advisors will pay \$199 for their services. While this new service may present new opportunities for the many travel agents and advisors who have suffered greatly during the pandemic, the service isn't entirely new. Not only have offline referral and accreditation services existed for years, several online platforms have attempted to provide similar services in the past, such as Tripology, TripScope, Triporati and Lola.

### **Resale Price Maintenance Affirmed for Agents in Japan**

*("JFTC okays resale-price specification, pharma joint procurement, mutual OEM production in latest review of sample cases, Jun 24, 2020 via MLEX Insight)*

For those of you who track the permissibility of resale price maintenance requirements (e.g., the ability for hoteliers to dictate the prices charged by their distribution partners), the Japan Fair Trade Commission, in its annual review of antitrust sample-cases, appears to have affirmed the practice for those distributors acting as their suppliers' agents. Please feel free to contact us if you would like any more information on these recent updates.

### **[Does the Loss of Talent Spell Trouble for the Travel Industry?](#)**

*("Hospitality's Devastating Loss of Talent Should Be Your Gain, Jun 22, 2020 via Skift Travel News)*

While we don't often include opinion pieces in our weekly Update, one article this past week caught my attention. The article, which begins with a detailed description of the many amazing professionals in the

hospitality industry who have lost their jobs in the past weeks and months, encourages those outside the industry to consider hiring them. Having spent nearly 25 of my 26 years in legal practice working for clients in the hospitality industry, I can personally attest to the incredibly bright, talented, personable and, most importantly, passionate employees in the industry - at every level. Many of these employees live and breathe hospitality every day. Who wouldn't want to hire them? Here's my concern...Should industries outside hospitality take the author's advice and begin hiring away these incredible people, what does that then mean for hospitality? Think about it. If the 2,100 employees recently terminated by Hilton all move to industries outside hospitality, what does that mean for Hilton? Travel will return. When it does, who is going to be there to give the shirts off their backs to the millions of people who travel each year?

Other news:

### **Short-Term Rental Platform RedAwning Restructures and Bookings Surge**

*Jun 23, 2020 via Skift*

Short-term rental platform RedAwning hit the reset button during the coronavirus crisis as it sold a subsidiary, Leavetown, and rolled out a program to be the exclusive distribution manager for property management companies. This all took place after parting ways with about one third of its employees, but vacation rental bookings last week surged 42 percent higher than the same period last year as U.S. drive markets continued reopening, founder and CEO Tim Choate told Skift Monday.

### **Trip.com Group Joins Google to Launch Travel Trends Report**

*Jun 23, 2020 via Canada Newswire – News Releases*

As part of its recently announced “Travel On” campaign, leading international online travel services provider Trip.com Group has joined Google to launch the Trip.com Group x Google Travel Trends Report. Drawing on various indicators, including analysis of search query statistics from Google Trends, a pilot survey carried out in the Asia-Pacific region, and businesses insights data from Trip.com Group, the report provides a detailed snapshot of how consumers are responding to the evolving dynamics within the travel industry, as well as the expected trends for travel over the coming months.

### **Trip.com Group Launches \$500M Partner fund as Part of Travel On initiative**

*Jun 25, 2020 via phocuswire.com*

Trip.com Group has unveiled a \$500 million war chest to help its travel partners get back on their feet in the aftermath of the coronavirus pandemic. As part of the company's Travel On Initiative, the fund was launched earlier last week, and it detailed some health and hygiene measures being put in place by different segments of the industry.

### **The Top 12 Most Powerful Travel Agencies**

*Jun 23, 2020 via TravelPulse*

Travel is still navigating a new normal amid the COVID-19 pandemic but, nonetheless, 2019 was another remarkable year for the industry as evidenced by the 2020 Travel Weekly Power List, which ranks companies with \$100 million or more in travel sales in the previous calendar year.

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