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Duff on Hospitality Law

OTA & Travel Distribution Update – Jan. 13th, 2017

02.02.17

Our weekly OTA & Travel Distribution Update for the week ending January 13, 2017 is below. This week's update offers something from everyone.

- **Chinese Use of OTAs Continues to Grow [OTA]**. According to a report released last week by Ctrip, Chinese tourists' use of OTAs increased this past year by 34% (for a total of $87 billion dollars). Ctrip further reported that the majority of its bookings now originate through mobile devices not desktops.
- **Interest in Booking May Not Be Enough to Establish a Claim for Interference [OTA]**. The California court hearing the case brought by California hotelier, Buckeye Tree Lodge, against Expedia has given the Lodge one last chance to present evidence supporting its tortious interference claims. In a somewhat philosophical exchange, the court asked the parties at what point during the booking path would there be sufficient intent by a traveler to book at a particular property to support an interference claim. Not surprising, counsel for Expedia opined that such intent could only be established once an "economic relationship" between the traveler and property existed (i.e. a booking). Counsel for the Lodge countered that such intent could be established much earlier in the booking path when there was a "reasonable probability" of creating such a relationship (i.e. by providing dates of a prospective stay at the property to a booking engine). While Expedia's alleged conduct of re-directing Expedia users away from the Lodge (which Expedia claimed was unavailable) to properties under contract with Expedia was "filthy," according to the court, the fact that Expedia's practices had the effect of only frustrating travelers (as opposed to dissuading travelers to book with the Lodge) prevented a finding of interference. Counsel for the Lodge now has one last opportunity to convince the court otherwise. Although the court's decision in this case will provide little precedential value, its evaluation of the long list of claims brought by the Lodge will continue to generate a lot of interest and fodder for future updates. Stay tuned . . .
- **Hilton Joins Instant Booking Stampede [OTA/REVIEW].** Hilton and TripAdvisor announced last week that Hilton, one of the last two remaining major brands (together with IHG) to not join the online booking platform, was moving all 13 of its brands to the booking platform. For some, the decision by Hilton is a strong indicator that its much-publicized direct booking campaign isn't achieving the kind of success that Hilton initially hoped. Maybe, though the better takeaway here is likely that TripAdvisor's fee structure is lower than Hilton's other existing third-party distributors and re-directing traffic away from those distributors is always a good thing. With this latest announcement, TripAdvisor might finally achieve the momentum it needs to sustain the historically challenged booking platform.

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Chinese tourists spend more via online travel agencies: report

Chinese tourists spent more money via online travel agencies (OTA) thanks to rapid growth of e-commerce and mobile Internet according to an industrial report.

Sina.com English on Jan 13, 2017

Expedia Hotel Class Must Show Error Thwarted Customers

A California federal judge Thursday said he'll give a proposed class of hotels one more chance to preserve some claims that Expedia cost them business by erroneously listing them as having no vacancies, saying lead plaintiff Buckeye Tree Lodge must offer evidence Expedia prevented a customer from booking there. U.S. ...

Law360 – Hospitality on Jan 13, 2017

TripAdvisor Holdout Hilton Joins Its Instant Booking Program

Hilton's decision to enroll in TripAdvisor Instant Booking while the chain is dedicating huge resources into convincing consumers to book direct on Hilton sites is an admission that it needs third-party distributors. TripAdvisor is a favored partner for the moment because it's cheaper than Expedia and the Priceline Group for ...

Skift Travel News on Jan 9, 2017

Posted in OTA Update

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