Foster Garvey

Duff on Hospitality Law

OTA & Travel Distribution Update – Sep. 8th, 2017

09.15.17

This week's update features a number of traditional "distributor" stories and updates on short-term rentals. We elected not to include a story involving the much-publicized leadership changes at Expedia (and Uber) as I'm sure everyone has already read more than enough about the surprising developments.

Expedia Continues Its Diversification [OTA]

("Expedia becomes majority owner of hotel operating system Alice," Puget Sound Business Journal, August 30, 2017)

I attended and presented at this past week's Hospitality Upgrade (Rich Siegel) CIO Summit in Denver. Attendees at this annual event include the top IS and IT executives at the largest regional, national and global lodging companies. I include this introductory information because of comments made by one of the first presenters at the Summit, comments which reverberated through nearly every presentation that followed during the 2-day Summit. The presenter was, Bryson Koehler, CTO for IBM's Watson - the widely recognized AI platform. The comments related to the key differences between technology upstarts Airbnb, Uber, etc. versus traditional lodging industry members. According to Bryson, Airbnb, Uber and other companies like them are software companies that just happen to offer solutions in the lodging and transportation industries (respectively). In other words, each company started (and remains) a software company, not a lodging company or rental car company. According to Bryson, this software orientation permeates everything the company does, which is a drastically different mindset than that of traditional lodging industry members. So why talk about this here . . . I include this because of what we are now seeing with the continued diversification efforts of both Expedia and The Priceline Group. As each organization continues to expand it products and services (e.g. Expedia's recently announced investment

© 2026 Foster Garvey PC. All Rights Reserved.

in Alice), both may soon be seen as software companies that just happen also to be lodging companies (rather than just distributors).

Hotel Tonight Pivots in an Attempt to Remain Relevant [OTA]

("Hotel Tonight faces off with Expedia, Priceline with advanced bookings," Reuters Technology, September 7, 2017)

Add Hotel Tonight to your list of traditional booking engines. The once same-day mobile distribution channel announced last week plans to extend its booking window to 100 days. According to founder Sam Shank, Hotel Tonight's superior mobile experience (recall that Hotel Tonight was launched as (and remains) a mobile-only platform) will allow it to compete successfully against traditional distribution behemoths Expedia and The Priceline Group. Sorry Sam, I disagree…

Seattle Considers Short-Term Rental Legislation [SHORT-TERM RENTALS]

("Airbnb hosts could have two rentals, no more, under Seattle proposal," KUOW News and Information, September 7, 2017)

With all of the ongoing developments in short-term rental regulation, I could not not include news of our own Seattle City Council's efforts to regulate (lightly) this rapidly growing business in Seattle (to many local hoteliers' chagrin, Seattle is frequently identified as one of the largest short-term rental markets in the US). Under the currently proposed legislation, individual hosts could make available up to two rentals each (more in certain grandfathered areas of Seattle). Property owners wishing to make their rooms or homes available would be required to obtain a business license and pay a small annual fee. Most anticipate that Seattle will pass some form of short-term rental ordinance by the end of the year.

Other news:

Winding Tree is the new kid on the blockchain set on disrupting Airbnb and Expedia

The Next Web, September 7, 2017

Bitcoin and Ethereum may be the stars of the cryptocurrency story, but the real hero is the technology behind them: blockchain. Platforms like Winding Tree, which is operated by a non-profit out of Switzerland, are using the blockchain to disrupt industries. Winding Tree wants to create an open source blockchain with its own token that supports a decentralized travel industry. In essence, it wants Expedia, Airbnb and Priceline out of the picture so you're not paying them - or anyone else, including Winding Tree - a cut when you make travel arrangements.

Airbnb helps hosts in San Francisco get city approval online

Engadget, September 7, 2017

Airbnb has had a bumpy ride in San Francisco. After the city passed a law that required all short-term rental hosts to register with the city, only a small percentage did (thanks largely to the onerous process involved), and many of those who didn't were hit with fines totaling $1 million. Differences were set aside in January

© 2026 Foster Garvey PC. All Rights Reserved.

though, when the parties agreed on a way to automatically register all hosts in the city. That service rolls out today, with hosts now able to apply directly through the Airbnb site for their Short-Term Residential Rental Certificate and Business Registration Certificate, instead of schlepping down to City Hall.

China's Major Online Travel Agency Plans to Launch Russian-Language Website

Novosti, September 3, 2017

CEO of the world's second largest online travel agency by market capitalization Ctrip, based in China, praised the increase in Russia-China tourism this year and said her company intended to launch a Russian-language website in an interview with Sputnik on the BRICS summit sidelines. RIA

Miami Asks Court To Overturn Injunction In Airbnb Feud

Law360 – Real Estate, August 29, 2017 (subscription required)

The city of Miami appealed an order Friday that temporarily stopped it from enforcing its ban on short-term rentals in residential neighborhoods and targeting residents renting rooms and homes through Airbnb and other home-sharing platforms. Law360 – Real Estate on Aug 29, 2017

Posted in OTA Update

Authored by

Greg Duff

Principal|Seattle

206.816.1470 greg.duff@foster.com

© 2026 Foster Garvey PC. All Rights Reserved.