

European Hotel Forum



Fairness and Transparency for
Business Users of Online
Intermediation Services
The view from the
Hospitality sector

S&D Hearing - 28 June 2018

Introduction to the European Hotel Forum



6 000+ European hotels and **725,000** European hotel rooms



EHF Members are present in all **28 EU Member States**.



220,000 hotels in EU - primarily made up of **SMEs**



Direct contribution of travel and tourism is **3.5% of European GDP**
and **3.6% of the total European employment**

The hotel industry and online intermediation



The **hotel industry** is one of the most **digitalised** of all.

50% of tourism and travel business sales are made **online** (representing €125bn annually)*



Heavily intermediated by online platforms.

50-70% of **online** bookings are via OTAs platforms**



European hotel industry is **highly fragmented** (>200 k hotels) vs **two mega platforms** (OTAs).

Top 2 players > 80% of all OTA bookings

* Phocuswright 2016

** Institut for Tourism 2017

How can we strengthen the regulation?

Six key areas

Scope

(Art.1, Recital 12):

Should apply to **all** hotels in EU and **all** contracts

Fairness

(Art. 3):

T&Cs should be **reasonable** and **proportionate**

Control

(Art. 7 new):

Give business users **opt-in** over **affiliate networks**

Ranking Transparency

(Art 5):

All parameters should be clear and notified

Access to Data

(Art. 7):

Relevant consumer data should be **shared** with business users

MFNs

(Art. 8):

Prohibit price / availability parity clauses

Ranking transparency – the impact of the algorithm on business users and consumers

Search

Destination/Property Name:
Rome

Check-in Date:
Monday, July 30, 2018

Check-out Date:
Wednesday, August 1, 2018

2-night stay
2 adults

No children | 1 room

I'm traveling for work

Search

Rome: 5,179 properties found – including 528 value deals!

- Our Top Picks**
- Lowest Price First
- Review Score & Price
- Stars
- Distance From Downtown
- Top Reviewed



Relais Vatican View 

Vatican City - Prati, Rome – Show on map (2.2 km from center)

17 people are looking right now

In high demand! Booked 91 times in the last 24 hours

Great Value Today 

Double Room 

Only 1 room left on our site!

Risk Free: You can cancel later, so lock in this great price today!

Wonderful **9.0**
519 reviews

Location 9.5

Price for 2 Nights
€ 185
FREE cancellation

See our last available rooms >

Filter by:
Your Budget



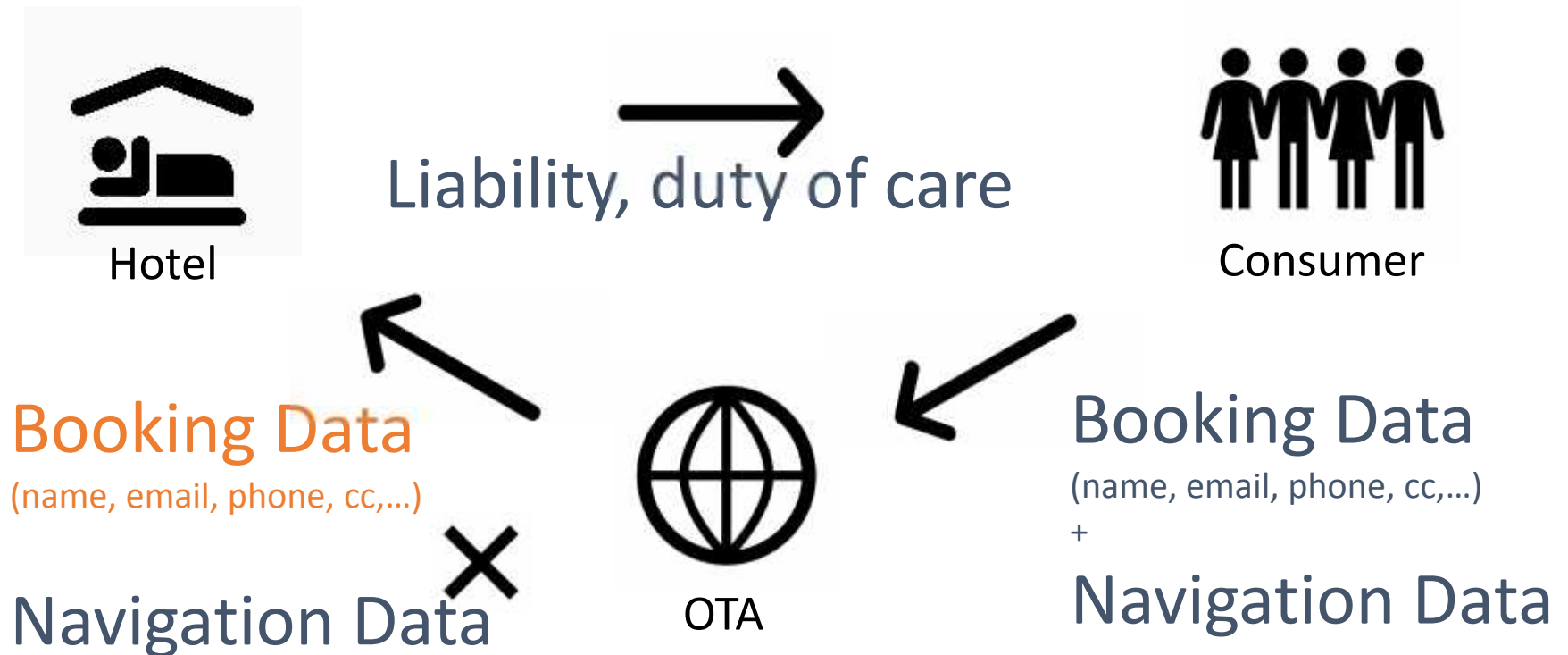
Augusta Lucilla Palace ★★★★★ 

Central Station, Rome – Show on map (1.4 km from center) – Subway Access

Excellent **8.6**
4,968 reviews

Access to Data

Hoteliers are solely responsible for providing hospitality service to travellers and the contract is concluded between the consumer and the hotel. The platform must be required to share *all* travellers' *relevant* information.



The use of Restrictive Clauses in contracts

- OTAs request room availability and prices no less favourable than
- those on any other indirect sales channel (wide parity)
 - those on hotelier's own website (narrow parity)

Impact:

- Entrepreneurial freedom
- Barriers to entry for new platforms
- Limitation to direct reservations

Restrictive clauses should *be prohibited at EU level* similar to *AU/FR/IT/DE...*

National initiatives to ban MFNs



- Full ban on parity clauses
- Wide parity clauses prohibited, narrow parity clauses allowed
- Considering legislation/measures to balance relations with OTAs

** In Germany, this applies only to Booking.com and HRS*

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Thank You

Contact

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