



The European Hospitality industry calls on online platforms to comply urgently with announced principles and for further actions from the EU institutions

Brussels, 25 May 2016 – The European Commission published today several important documents in relation to Online Platforms, the role of which is getting more and more significant and dominant in travel trade. The European Hospitality industry welcomes the critical voices of the European Commission on the operation of Online Platforms and is expecting the right conclusions by the European institutions after the announced further investigations into the business-to-business practices by platforms. HOTREC specifically welcomes the announced Key Principles for Comparison Tools, which as well address some issues disrupting consumers in taking well-informed decisions and damage businesses, e.g. by hiding advertisements in the form of paid for rankings.

The current Communication on Online Platforms highlights several concerns regarding the operation of such platforms, which are often to the detriment of consumers and businesses in Europe. The Communication rightly acknowledges the importance of Online Platforms as the gates to the markets, especially for SMEs, as well as the little power of SMEs to counteract to abuses of dominant positions. In the hotel booking market 3 players (Online Travel Agents) are dominating almost the entire market, with the most important one having a market share of around 60% Europe wide. HOTREC believes that the dominant position of platforms and the related potential of abuses of such positions is a key priority to be addressed, in order to allow for a fair online market environment in Europe. HOTREC also welcomes the mention of the “*unfair parity clauses with detrimental effects for the consumer*” which deprive businesses from exercising their entrepreneurial freedom of setting prices and conditions.

The today published Key Principles for Comparison Tools is an important step towards rectifying practices, which are considered unfair in the online market. Among others, the abolishment of hidden advertisements in the form of ‘paid for rankings’, especially when studies demonstrate consumers’ preference to click on presumed ‘natural’ results, accurate information on availability (i.e. whether on the portal only, or overall) and clear explanation of the ranking criteria are all measures which need to be implemented promptly to allow for a fair market.

“The announced steps show in the right direction, however further measures are needed soon to allow for fair online markets in Europe” said Markus Luthe, Chair of HOTREC’s Distribution Task Force.

“The hospitality industry remains concerned about the imbalance between the highly concentrated market of platforms and the highly fragmented market players being dependent regarding market access on these platforms” stated Christian de Barrin, CEO of HOTREC. *“SMEs in Europe are still often deprived from their entrepreneurial freedom, which has to be restored”*, added Mr. de Barrin.

What is HOTREC?

HOTREC represents the hotel, restaurant and café industry at European level. This industry includes around 1,8 million businesses, of which 99% are small and medium sized enterprises (91% of them micro enterprises, i.e. employing fewer than 10 people). These businesses make up some 59% of industry value added. The hospitality industry provides some 10.2 million jobs in the EU alone. Together with the other tourism industries, the sector is one of the largest industries in Europe. HOTREC brings together 43 national associations representing the sector in 30 different European countries.

For further information: www.hotrec.eu

PRESS CONTACT: Daniel Makay +32(0)2 504 78 42, daniel.makay@hotrec.eu