



HOTREC welcomes investigations of the Swiss Price Watch authority regarding the level of commissions of online booking sites

Brussels, 15 September 2017 – HOTREC welcomes the investigations initiated by the Swiss Price Watch Authority regarding possible price abuse linked to the commissions which are charged to Swiss hoteliers by online booking platforms. HOTREC considers it as a right move that focus is directed more and more towards the increasing commission payments of hoteliers across Europe, resulting from the oligopolisation of the platform markets.

For the hotel industry the cooperation with hotel portals and booking agents has become an inevitable necessity, however notwithstanding the importance of the freedom of hoteliers to market and sell their products: The market power of some dominant booking platforms (e.g. Booking.com being in control of almost 2/3 of the market) must not lead to any abuse either regarding the level of commissions and contractual terms and conditions. The control over the own product, the conditions as well as the setting of the own prices must remain with the hotels. Although this principle should rule the market, an increasing number of hoteliers are losing the control over their own product due to the increasing market power of their distribution partners.

HOTREC welcomes the ban of narrow and wide parity clauses of online booking platforms vis-a-vis their hotel partners in more and more European countries. *“Following the ban of parity clauses in Germany, France, Austria and Italy such clauses are already void regarding more than 46% of the European Union tourism market, when looking at the number of nights spent. This is an important milestone for the re-establishment of fair conditions of competition both from the view of consumers as well as of hoteliers”*, praises Markus Luthe, CEO of IHA-D Germany and Chair of HOTREC Distribution Task Force the recent decisions.

“Other Member States and countries shall soon follow these examples to liberalise the market which undoubtedly will allow for more competition in the distribution market for the benefits of the consumer”, added Christian de Barrin, CEO of HOTREC. *“Indeed, Switzerland could already express itself for the ban of narrow parity clauses in a vote taking place in the Swiss Parliament on the so-called ‚Motion Bischof‘ next Monday. In the meantime, also in Belgium a relevant legislative work has been initiated in the Parliament by the Belgian government, aiming at banning parity clauses of online booking platforms.”*

What is HOTREC?

HOTREC represents the hotel, restaurant and café industry at European level. The sector counts in total around 1.8 million businesses, being 99,5% small and medium sized enterprises (91% are micro enterprises, i.e. employing less than 10 people). These businesses make up some 60% of value added. The industry provides some 10 million jobs in the EU alone. Together with the other tourism industries, the sector is the 3rd largest industry in Europe. HOTREC brings together 40 national associations representing the interest of this industry in 29 different European countries.

For further information: www.hotrec.eu

PRESS CONTACT: Claudia Pinheiro +32(0)2 504 78 45, claudia.pinheiro@hotrec.eu