



Hospitality sector warmly welcomes Platform to Business Regulation



The **Platform to Business Regulation** entered into force on Sunday 12 July and hotels and restaurants in Europe warmly welcome this new piece of EU legislation. It represents a significant step towards increased transparency and fairer terms and conditions for hospitality businesses across Europe in their business relationships with Internet giants.

Hospitality businesses can expect the so-called 'P2B Regulation' to bring several improvements when dealing with online platforms. The new Regulation will bring more transparency and fairness into the relations of business users (e.g. hotels, restaurants) and online intermediaries inter alia on the following aspects:

- A more thorough understanding of ranking and search results, allowing for fairer business decisions and reducing platforms' capacity to make modifications at their own discretion
- Effective internal complaint mechanisms, ensuring that businesses' concerns and complaints have to be treated accurately and in a timely manner.
- Terms and conditions applied by online platforms towards businesses shall be clearer and adjustments will be easier to anticipate.
- Any potential sanctions imposed by online platforms against businesses will need to be transparent and well founded.

"The European hospitality industry considers the Platform to Business Regulation as a landmark in platform-to-business relations, which we have initiated and fought for more than ten years. It will significantly improve the relationships between platforms and hoteliers, being until now unfair and unbalanced. We hope that this Regulation will also mark a step towards increased and sustainable competition in online distribution", said Markus Luthe, Chair of HOTREC's Distribution Working Group and CEO of the German Hotel Association (IHA).

According to HOTREC research, slightly under 30% of all hotel bookings made 2019 in Europe were made via online platforms acting as intermediaries. Almost 85% of these bookings are made via platforms owned by just two separate entities, with one enjoying a market share close to 70%. Hoteliers' bargaining power towards Internet giants, which so far has been very weak, can be expected to be take a turn for the better.

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What is HOTREC?

HOTREC represents the hotel, restaurant and café industry at European level. The sector counts in total around 2 million businesses, being 99,5% small and medium sized enterprises (90% are micro enterprises, i.e. employing less than 10 people). These businesses make up some 60% of value added. The industry provides almost 12,5 million jobs in the EU alone (2017). Together with the other tourism industries, the sector is the 3rd largest industry in Europe. HOTREC brings together 45 national associations representing the interest of this industry in 33 different European countries.