

6 April 2017: Online hotel booking platforms

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The European Commission publishes the results of an exercise, carried out by the *Autorité de la concurrence* and 9 other national European competition authorities, which assess the effects of the remedies adopted in Europe in the online hotel booking sector.

Background

Following the investigations carried out by several national competition authorities, some online travel agents (OTA) modified the wide parity clauses appearing in their contracts with the hotels that restricted commercial and pricing freedom of the latter by forbidding them from offering lower overnight accommodation prices on competing platforms, as well as on their direct sales channel.

Thus, in France, Booking.com, in line with the commitments made to the *Autorité de la concurrence*, changed its wide parity clauses as soon as 1 July 2015. An initial intermediary assessment of the commitments was published on 9 February 2017 (**see assessment**).

In addition to these measures, other solutions have been adopted in certain Member States of the Union. Under the aegis of the Commission, the *Autorité de la concurrence* along with nine of its counterparts monitored, in the framework of a European workshop, the effects of the various solutions set up. In this framework, the participating authorities surveyed 16,000 hotels, among which more than 3,000 in France, 19 large hotel chains, 20 online travel agents and 11 "metasearch websites". They followed a uniform methodology which enables them to compare the various solutions adopted. This survey was completed by an analysis of a database submitted by large metasearch

websites enabling for the comparison of the hoteliers' commercial strategies regarding the different OTAs before and after the remedies.

The two assessing exercises of the adopted measures had never been conducted before, either in the framework of a pan-European workshop or at a national level. The innovative process used has been seen as justified, on the one hand, regarding competition situations involving digital platforms for which evolutions can be very fast and, on the other hand, in view of the sector stakeholders' preoccupations.

Today, the monitoring working group publishes its findings, according to which:

- The analyses conducted, which compared the situation before and after the remedies, suggest that the evolution from "wide" parity clauses to "narrow"¹ parity clauses had led to an increased price differentiation between OTAs in most of the countries². In Germany, the suppression of Booking's "wide" parity clauses in January 2016 had led to an increased price differentiation between online travel agents.
- Almost half of the surveyed hotels indicate that they were unaware of the changes in the sector. However, this number is distinctly inferior in France and in Germany (30%).

Based on the results, the European Commission and national competition authorities have agreed on a common and coordinated direction to keep the online booking sector under review.

The report of the European Competition network³ working group is available on the European Commission website (**see the report**).

¹ *The "wide" parity clauses forbid the hotels from fixing lower prices on any other sales channel, whereas "narrow" parity clauses allow hoteliers to fix lower prices on the other sales channels apart from their own channels on which the prices are published online. Further, "narrow" parity clauses enable hotels to give different vacancies according to the sales channel, regardless of the channel.*

² *Germany, Belgium, Hungary, Ireland, Italy, Czech Republic, United Kingdom and Sweden. In France, this effect is also positive but the Macron Law is taken into account.*

³ The European Competition Network gathers the national competition authorities (NCA) of the 28 Member States from the European Union around the European Commission ([learn more](#))

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