

CHARTER FOR ONLINE HOTEL TRAVEL AGENCIES

The keys to a fair and equitable commercial relationship, within a loyal and balanced context, between hoteliers and agencies.

This charter for online hotel agencies is the **only text** that aims to define the keys to fair and equitable commercial relationships, within a loyal and balanced context, between hoteliers and their online intermediaries.

This charter was drawn up by the Groupement National des Indépendants (GNI) and is based on 19 best practices recommended by HOTREC in 2012 (grouping of professional associations in the HCR, hotel, café, restaurant, sector on the European Union level).

This charter is offered by the GNI to all independent professionals with no restriction or recommendation on use (except with regard to copyright).

It makes it possible both to **better understand the challenges** of each of the terms and conditions unilaterally imposed by the agencies up to now, and to **clarify all of the methods of publicising and distribution of hotels** by the major players in the online agency sector.

Although it may not have the means to prohibit certain practices, it **sheds light** on what is **detrimental and unacceptable to an independent hotelier**, on what is negotiable but mainly profitable only from the agency's point of view, and on what is **negotiable in the mutual interest** of the client, the hotel and the agency.

This charter also defends transparency **from the point of view of clients booking online**: when using these platforms, they should be informed in a transparent manner when making their choices and selections and be guaranteed as to the fairness and veracity of the information without any form of ambiguity. The collection of their data must be protected for fair and transparent use.

Hotels are invited to rely on this charter for online travel agencies **in order to negotiate fair and equitable terms** with an intermediary for each of the parties and thus enable each hotel to **define its own commercial strategy**.

The charter is based on the following key principles:

A. Which are the points that upset the relationship between hotels and agencies?

- A1. No unauthorised use of hotel brands for online marketing purposes
- A2. No display on affiliate portals without the hotel's authorisation
- A3. No imposition of parity or equivalence of rates
- A4. No imposition of parity or equivalence of conditions
- A5. No imposition of access to all of the hotel's offers
- A6. Clarity and transparency of pricing and information on the search engines
- A7. No bidding model without clear information for the client
- A8. Clarity and transparency of searches by criteria on the search engines
- A9. Authentic client data, supplied and checked by the agency
- A10. No commission on taxes or on non-booked services
- A11. Adequate reaction time for the updating of bookings
- A12. Deletion of the hotel's content in the event of suspension or breaking of the contract

B. Upon what other points is the GNI demanding change?

- B1. The terminology and ranking standards must comply with current legislation
- B2. The authenticity, reliability, veracity and legality of the content of client feedback and comments should be guaranteed to the hotel

What are we talking about?

Internet user: describes a person who uses the internet or an application to carry out searches for accommodation and/or uses the platforms of online travel agencies to book a hotel indirectly.

Client: describes a person who stays at the hotel having booked directly or indirectly with the hotel.

OTAs (Online Travel Agencies) and/or IDS (Internet Distribution System): player in the marketing of the hotel. They work as intermediaries between an internet user searching for a hotel service, and the hotel where they will stay as a client. It describes the websites, applications, tools, platforms and/or other hotel product distribution and sales arrangements on which a booking and/or redirection service is available.

The contractual context between the agency and the hotel must be loyal and balanced.

The agency distributes the hotel's offering within the context established by the hotel and accepted by the agency. In exchange, the hotel pays for these marketing and distribution services.

Affiliation platform: partner to the agencies which the latter allow to market the hotel without bothering to inform the hotel itself.

Direct channel: the hotel's own booking channel, without the intervention of a commercial intermediary. It is:

- Either the hotel's website, its booking engine and all the platforms synchronising directly with the hotel's stock without commercial intermediation (e.g. Facebook Connect, the hotel's official application, etc.)
- Or emailing campaigns carried out by the hotelier based on their commercial database or a chat on their website
- Or offline contacts via telephone, SMS or fax.

Indirect channel: describes a booking channel where an intermediary positions itself between the internet user and the hotel. It applies mainly to online agencies, physical intermediaries, travel agents, tour operators, voluntary chains, metasearch engines, etc. These commercial intermediaries bring an actual client, as opposed to technical intermediaries that bring a technology.

Online channel: describes a channel that requires the use of the internet for a direct or indirect booking.

Offline channel: describes a channel that does not require the use of the internet, such as bookings made directly at the hotel reception, by telephone, by SMS, with the hotel or with a physical travel agent.

Intellectual property: an ensemble composed partly of the industrial property rights (patents, design of an ornamental nature, brands, trading names, appellations of origin, domain names, etc.) and partly of copyright (works of the mind which include a pecuniary right and a moral right).

In principle, industrial property rights are acquired by registration (of the patent, the design and model or the brand, for example), sometimes by use (for business names or trading names).

The business name: whether registered or not, its appearance on the Kbis indicates ownership of intellectual property as well as in marketing content: photos, visuals, logos, descriptions of the establishment, URL, domain name, email address, direct feedback from clients, names of products (names of rooms and packages).

Brandjacking: a portmanteau word (conflating 'brand' and 'hijacking') that describes fraudulent activity that involves hijacking a brand's identity, mainly on the internet. The brandjacker takes over a brand's identity, either to damage its image or to profit from its reputation and its image.

SEO (Search Engine Optimisation): describes the natural or organic web ranking (free), a process designed to improve a website's ranking on the search engines.

SEM (Search Engine Marketing): describes paid SEO, sponsored links or commercial links (brands) on the search engines, on the first search results using keywords or expressions searched for by the internet user.

CPC (cost per click) or PPC (pay per click): is a system linked to positioning of advertising where the owner of a website has to pay each time an internet user clicks on the link. The first company to use this system was **Google** with Adwords. The cost per click is determined by a bidding system where the more popular a keyword is, the more it will cost.

A. Which are the points that upset the relationship between hotels and agencies?

These points (A) are negotiable: they should be negotiated with the agencies and should not be imposed by the latter under any circumstances

A1. No unauthorised use of hotel brands for online marketing purposes (SEM)

| ANALYSES AND RECOMMENDATIONS | WHY? |
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| <p>Some online agencies use hotels' brands and/or business names (whether protected or not) for paid search engine marketing (SEM) in order to redirect internet users' online requests to their own websites.</p> <p>☹️ ➔ If the hotel authorises an agent to use its brand, its own website will lose visibility because it will become lost amongst parasite websites. This leads to its clients being diverted to the agency's benefit.</p> <p>😊 ➔ The protection of the hotel brand and its domain names is essential.</p> <p>The GNI demands that agencies should respect hotel brands and desist from hijacking the intellectual property rights of the hotels.</p>  <p>Use of the brand by the agency could be envisaged under certain conditions: by geographical area, by period of time, by target or by segment. In this case, this clause should be subject to a trade-off from the agency in question.</p> <p>The GNI demands that the agency should not index hotel listings on the search engines.</p> <p>The GNI demands that no clause should feature systematically and be imposed as part of the contract between the agency and the hotel.</p> | <p>The hotel's name is a brand as is its domain name and both are the intellectual property of the hotel and as such are owned by the company. Intellectual property is part of the business, is therefore of great value and enables internet users to find the hotel directly on the internet.</p> <p>When an internet user searches for a hotel online using its name, it means that the user knows of the hotel and wants to find out more about it. This shows that the sales and marketing work carried out by the hotel has done its job.</p> <p>The unauthorised use of a brand by the agencies has several consequences:</p> <ul style="list-style-type: none"> - This practice parasitises the internet user's search via the multiple websites using the same brand. This prevents the internet user from being able to distinguish the real website amongst all the false ones. - This practice diverts the internet user from their choice to book direct. Therefore they book via an intermediary which offers them other accommodation choices in addition to the one they originally chose. <p>The agencies should not index hotel listings on the search engines because they short-circuit the hotel's own SEO efforts by the sheer number of listings posted.</p> |

A2. No display on affiliate portals without the hotel's authorisation

| ANALYSES AND RECOMMENDATIONS | WHY? |
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| <p>The agencies operate with other platforms, known as 'affiliates'. When the hotel has a contract with an agency, its offering then finds itself marketed by these secondary platforms without the hotel having been informed and without having given consent.</p> <p>☹️ ➔ The proliferation of these operators makes the position of a hotel's own website drop right down the rankings on the search engines, so the hotel is no longer in control of its own distribution channels. This practice contributes to the diversion of potential clients.</p> <p>😊 ➔ Say no to this domino effect.</p> <p> The GNI demands total transparency with regard to affiliation.</p> <p>The GNI demands that the hotel should be able to choose whether to be distributed by all or some of these affiliate channels. Therefore, it must give its express agreement for its product to be distributed by this means.</p> <p>The GNI demands that the agency should guarantee the quality and the currency of the information promoted by its affiliates.</p> <p>The GNI demands the no clause should feature systematically and be imposed as part of the contract between the agency and the hotel.</p> | <p>This method leads to a loss of control by the hotel over its image, the affiliates not being controlled, or barely, by the agency.</p> <p>This method also leads to the undermining of the hotel's presence on the internet by increasing the presence of intermediaries (which are not always effective) and by reducing the visibility of the hotel's brands as well those of the areas where the hotel is situated and of all the bodies designed to serve the public interest.</p> |

A3. No imposition of parity or equivalence of rates

| ANALYSES AND RECOMMENDATIONS | WHY? |
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| <p>The agency is obliged to comply with the provisions of the 'loi Macron' with regard to parity and equality of the rates set by the hotel across all online and/or offline distribution channels.</p> <p> The GNI demands that the agencies should comply with French law and desist from distorting its meaning. The hotel must be able to grant, to one particular agency or to several, equality of pricing under certain conditions: by period of time, by room type, by geographical area, by target or by segment. In this case, this clause should be subject to a trade-off from the agency in question.</p> <p>The GNI demands that no clause should feature systematically and be imposed as part of the contract between the agency and the hotel.</p> | <p>This method of operation or any other imposed on the hotel, either directly or indirectly, prevents the hotel from using the option of price leverage as a key marketing tool and leads to a distortion of competition.</p> <p>We need to ensure that the agencies do not circumvent the ban on price parity by other measures of parity of conditions or equality of pricing which, in the end, will have the same result.</p> |

A4. No imposition of parity or equivalence of conditions

| ANALYSES AND RECOMMENDATIONS | WHY? |
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| <p>Apart from pricing, the agencies demand levels of parity in all areas:</p> <ul style="list-style-type: none"> - Parity of availability online and offline, - Parity of booking conditions, - Parity of permanent availability - Parity of offer - Parity of privilege <p>☹️ → These parity clauses deprive the hotel of control and of its ability to market its services. It cannot reserve more favourable conditions for clients who book direct, it cannot favour its existing clients and take advantage of peak booking periods to sell directly.</p> <p>😊 → Refuse these imposed parity clauses. The hotel can activate certain levers to favour its direct booking channel.</p> <p> The GNI demands that the agencies should respect the wishes of the hotel without intimidation or restriction. The hotel must be able to grant, to one particular agency or to several, these different conditions clauses.</p> <p>The GNI demands that these conditions clauses should be subject to a compulsory trade-off from the agency in question.</p> <p>The GNI demands the no clause should feature systematically and be imposed as part of the contract between the agency and the hotel.</p> | <p>Hotels need to vary their offering according to the distribution channel.</p> <p>Pricing is one of the variables, but is not the only lever: consumers are aware that although prices may be the same, conditions regarding services and bookings may be different.</p> <p>Consumers should be encouraged to favour the direct booking channel which means that hotels need full control of their offerings with regard to both quantity and quality.</p> <p>Minimum availability and the availability of all room types are big obstacles, particularly for small and medium-sized hotels and seasonal hotels with peaks in demand.</p> |

A5. No imposition of access to all of the hotel's offers

| ANALYSES AND RECOMMENDATIONS | WHY? |
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| <p>The agencies oblige hotels to make their full range of rooms and pricing offers available.</p> <p>☹️ → Hotels lose the flexibility they need to adapt to the demands of the market. They can no longer differentiate themselves from the agencies.</p> <p>😊 → By refusing to make their entire offering available, hotels can choose the type of rooms and offers that they wish to publicise through the agencies.</p> <p>The GNI demands that the agencies should respect the wishes of the hotel without intimidation or restriction. The hotel must be able to grant an agency access to all or part of its offers and types of rooms at certain periods or all year round, provided that this clause is the subject of a trade-off from the agency in question.</p> <p>The GNI demands that no clause should feature systematically and be imposed as part of the contract between the agency and the hotel.</p> | <p>Faced with the volatility of the market, it is essential for hotels to be able to retain the necessary flexibility to adapt to consumers' requirements.</p> <p>Hotels must have access to their stock as a priority and turn to the agencies when they need to optimise their marketing.</p> <p>Hotels must be able vary the number of rooms that they make available to agencies solely according to their own needs.</p> <p>If hotels offer greater availability to agencies, there must be a trade off in return.</p> |

A6. Clarity and transparency of pricing and information on the search engines

| ANALYSES AND RECOMMENDATIONS | WHY? |
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| <p>To make a price appear lower, agencies compare the price of the room on the relevant day, to the highest price charged in a given period, namely 90 days before or after the selected date.</p> <p>☹️ → This is a false comparison that misleads consumers.</p> <p>The GNI demands total transparency on pricing. In order for consumers not to be misled, the crossed-out price must be the average price charged over the period of the stay that the internet user is searching for.</p> | <p>When hotels charge different prices at different times of the year, the agencies don't calculate an average of those prices to compare it to the price displayed on the agency's website, it's compared to the highest price for the period.</p> <p>This means that the difference between the virtual price and hotel's actual price is bigger.</p> <p>The agencies use this practice to create the illusion of a promotional offer when they are actually offering the real price of the room.</p> <p>For example, a major local event can increase the price of a room for a single day, but is not a true reflection of the prices charged by a hotel over that period.</p> |

A7. No bidding model without clear information for the client

| ANALYSES AND RECOMMENDATIONS | WHY? |
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| <p>The agencies use algorithms to rank hotels according to the commission paid by the hotels. The result: consumers are only shown a shortened version of the offer which may not necessarily correspond to what they're looking for.</p> <p>In addition, because the information is incomplete, unclear and cannot be verified (hotel full, no rooms available, only one room available, etc.) the agencies divert clients to other accommodation or other destinations.</p> <p>☹️ → The ranking of hotels is linked to several criteria, but the most important one for the agencies is the rate of commission paid by the hotels.</p> <p>This system is a vicious circle for hotels and misleads consumers who believe that the system is based on ranking by quality whereas it is essentially based on a financial criterion.</p> <p> The GNI demands that consumers should be clearly informed of the ranking criteria used by the agencies.</p> <p>The GNI demands the removal of all statements likely to mislead consumers, such as hotel full, no rooms available, only one room available, in addition to those designed to create stress to incite the consumer to make a hasty purchasing decision.</p> | <p>This system implemented by the agencies works like end of aisle displays in supermarkets, where the products of the producer who pays the most are given pride of place.</p> <p>Clients should be clearly informed when ranking criteria are influenced by the additional commission that a hotel is willing to pay.</p> |
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A8. Clarity and transparency of searches by criteria on the search engines

| ANALYSES AND RECOMMENDATIONS | WHY? |
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| <p>The agencies offer internet users selection criteria but provide them a result based on their own criteria. A clever algorithm selects hotels according to what is most profitable to the agency (cf A6).</p> <p>☹️ → The current ranking system on agency websites does not enable consumers to search for an establishment by their real selection criteria. Consumers are therefore diverted from their initial request.</p> <p> The GNI demands ranking by criteria should only include organic criteria and consumers' choices.</p> <p>The GNI demands that internet users' choices should be fully respected and that they should be clearly informed of any non-organic ranking methods.</p> | <p>The algorithm buries hotels' own websites under huge quantities of third party listings on the agencies' search engines to promote the accommodation that is most lucrative to the agencies. Whereas the internet users' requests are simple, they want several criteria to make a comparison. Internet users believe that they are seeing all the comparison criteria, whereas they have been reduced.</p> |

A9. Authentic client data, supplied and checked by the agency

| ANALYSES AND RECOMMENDATIONS | WHY? |
|--|--|
| <p>Agencies do not provide hotels with all the contact details and information that they need to operate under optimum conditions. Internet users' email addresses and bank details are an essential part of the booking process. Without these, the relationship between hotels and their clients is affected by an arbitrary choice by the agencies.</p> <p> → The agencies don't give hotels the information provided to confirm the booking and pay for services. This is a risk to hotels in the event of no-shows. The conditions for access to client information are unsatisfactory because they do not allow hotels to use them when they need to.</p> <p>The GNI demands the full and verified transmission of booking information including the email addresses and bank details of internet users.</p>  <p>The GNI demands total transparency with regard to client data and their systems.</p> <p>The GNI demands that the use of clients' data should comply with the law.</p> | <p>The agencies should provide hotels with all information related to clients' bookings, including information which would enable hotels to enter into a dialogue with clients from the start of the booking process as well as after they have left the hotel.</p> <p>Agencies should carry out checks regarding the validity of credit card information of future hotel guests.</p> <p>Agencies should ensure that internet users have the financial means to make a booking thorough their channels by carrying out (pre-) authorisation checks of cards and credit limits for the dates booked.</p> <p>Agencies must agree not to prevent, by any means or for any reason, the transmission of booking information, including clients' email addresses and bank details.</p> |

A10. No commission on taxes or on non-booked services

| ANALYSES AND RECOMMENDATIONS | WHY? |
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| <p>The agencies calculate their commission based on turnover including all taxes.</p> <p> → The hotels pays commission on 'taxe de séjour' (tourist tax) and VAT and also on services which were not generated by the agencies.</p> <p>The GNI demands that the calculation of commission should be based on turnover excluding taxes and only on services sold via the agencies.</p>  | <p>Commission is based on turnover including all taxes - VAT, tourist tax, etc.</p> <p>Hotels are paying commission on sums collected on behalf of the tax authorities.</p> <p>Because of this, the rates of commission are higher than the nominal value because they are calculated on the sale price including all taxes:</p> <p><u>A commission at:</u></p> <p>17% on the sale price inc. taxes actually = 18.7% on the sale price exc. taxes.</p> <p>22% on the sale price inc. taxes actually = 24.2% on the sale price exc. taxes.</p> |

A11. Adequate reaction time for the updating of bookings

| ANALYSES AND RECOMMENDATIONS | WHY? |
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| <p>The agencies demand that hotels modify and update their lists of bookings and no-shows within time limits that are barely or not feasible.</p> <p> → Hotels find that they are being charged commission on cancelled bookings and no-shows.</p> <p> The GNI demands that a minimum time limit of 30 days be granted to allow hotels time to update their booking lists and that no commission should be charged on bookings that have not been honoured.</p> | <p>The core work of hotels should not be diverted to administrative tasks which could be scheduled to be done later.</p> <p>With these clauses, the agencies divert hoteliers from their primary functions by forcing them to carry out administrative tasks or face financial penalties.</p> |

A12. Deletion of the hotel's content in the event of suspension or breaking of the contract

| ANALYSES AND RECOMMENDATIONS | WHY? |
|---|---|
| <p>If the contract between a hotel and an agency is temporarily suspended or broken, the agency continues to use the hotel's information to drive traffic to its website in order to divert internet users to hotels that are still under contract.</p> <p> → The agency uses the hotel's reputation for its own interests and to the detriment of the hotel.</p> <p> The GNI demands that the agencies should delete all content relating to a hotel on the internet from their websites and those of their affiliates.</p> <p>The agencies should also unindex pages from the search engines and remove any commercial links.</p> | <p>Whatever the reasons that lead to the breaking of a contract with a hotel, whether temporarily or permanently, the agencies continue to use the hotel's information to drive traffic to their networks.</p> <p>The agencies do not accept the consequences of the break, even when they are the reason for it.</p> |

B Upon what other points is the GNI demanding change?

These points are not the subject of negotiation between hoteliers and agencies and should be regulated by the public authorities

B1. The terminology and ranking standards must comply with current legislation

The agencies use identical criteria to official classifications, e.g. stars.

In addition, they group different types of accommodation together without following the official terminology and so mislead consumers.

The GNI demands that the agencies should be obliged to comply with and ensure that terminology conforms with regulations relating to offerings from hotels and other types of accommodation. References to stars are a source of confusion with official classifications and misleading with regard to quality.

All classification should be carried out in accordance with the terminology defined by the international community and the European standard EN ISO 18513:2003.

B2. The authenticity, reliability, veracity and legality of the content of client feedback and comments should be guaranteed to the hotel

The GNI demands that all actors who distribute client feedback online should be committed to a process of certification of such feedback. **Compliance with the standards for feedback:** standard NF Z74-501 on the collection, moderation and reproduction of online feedback (and future ISO standard).

Real clients: The owner of the website should ensure that comments are left by clients who have actually stayed at the hotel in question and should be able to trace the source of the opinion.

Anonymity: Client feedback should not be allowed to be given anonymously to the owner of the website through which the hotel should have the right to reply.

Neutrality: Information distributed on review websites should be trustworthy and not presented in order to divert internet users to their party booking websites.

Quality assurance: review websites should indicate the source of the comments if they have been left via a third party booking website, in order to give clients and hotels the option to trace the booking.

Accurate and up-to-date information: Review websites should ensure that the contact details, basic content, availability and prices published on their websites are accurately displayed and that any changes requested by the hotel are implemented rapidly.

Evaluation criteria: The publisher of the review website should offer clients relevant evaluation criteria, with an appropriate level of detail with regard to the characteristics of the hotel and be open to additional questions at the request of the hotel.

The right to reply: When a positive or negative comment is posted, the website should automatically inform the hotel and guarantee to consumers and the hotel that the latter has the means to reply.

Legal security: The opinions should be truthful and based on the personal experience of their authors. Hotels should be protected from defamatory information. It should be possible to delete false declarations easily and with no bureaucracy.

Transparency: The websites and all players should indicate clearly to internet users whether the booking with the hotel is direct or indirect and, above all, what their core purpose is: community website, client review website, online travel agency, price comparison website, reseller, etc.