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For Immediate Release

Source: Caribbean Hotel and Tourism Association (CHTA)

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CHTA REJECTS BOOKING.COM COMMISSIONS AS GROSSLY UNFAIR AND REGRESSIVE

MIAMI (July 17, 2019) - An overwhelming majority of Caribbean hotels are reconsidering using Booking.com as a result of the new commission policy which they claim is aimed at generating additional revenue for the online giant at the expense of consumers, the region's destinations, hotels and employees.

Commissions levied on staff tips by the online travel agency Booking.com have been assailed by the Caribbean Hotel and Tourism Association (CHTA) as "grossly unfair" and the trade association has called for the immediate discontinuance of the policy.

In a letter to Booking.com, CHTA cited "a strong negative backlash" from members particularly how it cuts into employee tips and gratuities.

CHTA pointed to a recent survey of its 33 national hotel and tourism federation associations, and hotels which revealed a belief the commission policy was "regressive and punitive" adding to Booking.com's revenue while reducing the profitability of the Caribbean tourism industry, hotel operations and the earnings of many of the region's employees.

CHTA's CEO and Director General Frank Comito added the commissions would directly affect travelers because some of the higher costs associated with additional payments to Booking.com will need to be shared by the traveling public, as some hotels seek to recoup losses by raising prices. "In a region where consumer price sensitivity and high operating costs are an ongoing challenge, this presents the industry with an added predicament," Comito stated.

He also cautioned the commissions would be a short term profit for Booking.com which could eventually be a significant long term loss for the company as 84 percent of hotels surveyed are reconsidering using Booking.com as a result of the new policy.

More than 60 percent of hotels reported the Booking.com commission policy will result in changes in how they assess and/or cover these charges, which survey respondents indicated included: increasing rates; deducting the commission from the tip/gratuity amount paid to



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employees; no longer accepting bookings from Booking.com; or reconsidering the discounted percentage offered to Booking.com.

Among the actions a number of the region's hotels considered taking, unless the policy is removed or revised, included applying a 'Booking.com Fee Surcharge' to customer billings to recover the added cost, and using other booking platforms.

Citing trade media reports that certain areas of the world or major brands might be exempted from the Booking.com commission policy, CHTA reminded "small-medium sized hotels, many in our region which are luxury properties, are already disadvantaged because of the marketing and buying power of hotel brands and major destinations."

In its communication to Booking.com, CHTA noted that small- and medium-sized independent hotels have supported Booking.com from its earliest days, stating that "those who have helped you the most stand to lose even more as this policy impacts their bottom line."

Appealing to Booking.com to drop its policy, CHTA cautioned, "without further consideration and a reversal of your policy we can only advise hotels to reassess their use of your platform and consider placing added emphasis on other booking options."

About the Caribbean Hotel and Tourism Association (CHTA)

The Caribbean Hotel and Tourism Association (CHTA) is the Caribbean's leading association representing the interests of national hotel and tourism associations. For more than 50 years, CHTA has been the backbone of the Caribbean hospitality industry. Working with some 1,000 hotel and allied members, and 33 National Hotel Associations, CHTA is shaping the Caribbean's future and helping members to grow their businesses. Whether helping to navigate critical issues in sales and marketing, sustainability, legislative issues, emerging technologies, climate change, data and intelligence or, looking for avenues and ideas to better market and manage businesses, CHTA is helping members on issues which matter most.

For further information, visit www.caribbeanhotelandtourism.com.

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