



HOTEL AND RESTAURANT ASSOCIATION OF NORTHERN INDIA

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HRANI Supports the Stand of FHRAI on MakeMyTrip and Goibibo

Northern Region Supports the Federation on Nation Wide Protest if Issues are not Amicably Resolved

New Delhi, 07 Dec: In response to grievances expressed by its members, the Federation of Hotel & Restaurant Associations of India (FHRAI) has put Online Travel Aggregators (OTA) MakeMyTrip and Goibibo on notice. The Northern wing of FHRAI - Hotel and Restaurant Association of Northern India - stands by the Federation's decision. A number of its members had brought to the Association's notice that the OTAs' business practices which were exploitative, unethical and divisive led to predatory pricing and other market distortions that had the potential to harm both hoteliers and consumers in the long term.

The FHRAI has written a letter to the OTAs outlining the most critical concerns of the hotel industry which includes the issue of distortion of market price, the demand for exorbitant commissions and the hosting of illegal and unlicensed Bed & Breakfast accommodations. Hotels have alleged that the OTAs charge commission that range anywhere between 18 and 40 per cent. The exorbitant commissions have been adversely impacting revenues, business and the livelihood of hoteliers.

"The practice of acquiring discounted rates from a hotel and then further discounting it on their online platforms is vicious and unethical and it disreputes the Hotel's image. There are grave discrepancies in the clause which curb the freedom of hotels. This is a matter of crucial concern for the hotel industry. Hotels and OTAs must have a mutually beneficial relationship in order to sustain in the game. The current scenario is clearly a lose-lose situation for individual hotels. It is high time that we fixed it," says Mr. Surendra Kumar Jaiswal, Vice President – FHRAI & President – Hotel and Restaurant Association of Northern India (HRANI) & Uttar Pradesh Hotel & Restaurant Association (UPHRA).

The FHRAI has also pointed out to the illegal and unlicensed Bed & Breakfast (B&B), motels or accommodations hosted by the OTAs on their platforms. The Federation has alleged that such OTAs are legitimising the unlicensed businesses by promoting them on their sites and apps whilst disrupting the business of the organised hotels.

"Tremendously high commission rates are charged from hotels and huge discounts are offered at online platforms - the only one suffering in this state of affairs are the hotels. This has left the entire industry in feeble condition which is quite shameful. If the status quo remains, then we must not expect entrepreneurial initiatives within the hospitality industry. Associations such as FHRAI lobby for the cause of Hospitality industry truly believing in its potential in generating revenue for the Indian economy, such sad state of affairs with the OTAs is a major deterrent in achieving the true potential of our industry," says Mr. Garish Oberoi, Treasurer, HRANI, and immediate past president FHRAI.

The Federation has written to MMT and Goibibo in the hope that they will understand the ground level situation of hotels and reason through dialogues. However based on the previous experience of hoteliers whose attempts at negotiations were neglected by the OTAs, the FHRAI has also forewarned a nationwide protest against the OTA entities.

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