

Dear Sir/Madam,

Please take note of this submission

1. I am not sure I am entitled to submission of such representation since I am not an industrial player.
2. Some of the following feedbacks might be more on bad business practices rather than unlawful conduct as regarded by the HK competition law

A high level concerns if there is “enough” competitions among OTAs. Appreciate you are involving some of the largest OTAs for accommodation providers (APs) in HK, but to my gut feelings many of the so called “competing” OTAs are just operated under different brand names, with the ultimate beneficiaries belong to same entity(ies) or individual(s). In other words, even they are not applying those wide parity terms to APs in Hong Kong, would there are still any chances those “competing” OTAs are still fixing the commissions rate. Should this concern be out of scope of this commitment and hope to leave ground for future consideration.

Or the question is whether practically there are decent numbers of other OTAs to exert reasonable competitive force in the marketplace. For example, if the above scenario is valid, those incumbent OTAs might force the APs to accept a very deep discount that the APs are literally impossible to offer under a fair competitive market with reasonable number of genuine rivaling players.

From the consumer perspective this will create an illusion of decent amount of competition which is itself misleading. However, having an overwhelming market share with operation under a large umbrella of different logos would not necessarily an unlawful conduct itself.

This would lead to a matter of disclosure. If certain beneficiary(ies) own(s) the substantial stake of many OTAs operating under different bands, are they obliged to disclose actively to the APs that are entering agreements with them? Or are those OTAs being disguised as “dummy” competitors are obliged to disclose to the consumers in appropriate manners for accommodation buyers to make an informed decision. One way is that consumers might choose to help those smaller, true rivalry on sympathetic ground despite they might need to pay some premium. The other way is consumers are clever enough to know that even those incumbent, dominating OTAs player may make better upfront offers, but after that “dumping” strategy works

and the smaller, true competing players are being squeezed out of the market, the incumbent players will start increasing the price with consumers not much options to choose.

Are this commitment also applied to accommodation providers' own offline sales channels? If the OTAs also entered those parity terms with those AP's own offline channels, would the outcome be effectively the same? For example, if there were cross-ownership of OTAs with the APs' offline sales channels.

Or in other way if the OTAs could penalize the APs not offering them comparable "most favored nation" terms behind the scene by banning their appearance on their portals or lowering their rankings or visibilities given their market dominance. Would this kind of potential coercion also waive the expected outcomes of the commitment?

It came to the attention that all parity terms are set out in paragraph 4 for those 3 OTAs involved, is it a co-incidence or further reinforced the above speculation, that is, all those 3 OTAs involved have same beneficiary(ries) behind.

In light of the above where OTAs would still able to "get around" with the commitment with the multi-logo strategies or applying those wide parity terms to APs' offline channel, would the Commission have ongoing checking to see if there is material price differentiation with enactment of such commitment and if not, would the Commission is able to revisit the issues or reopen investigation.

Also is this Commitment would precludes any future review of narrow parity term, although it was mentioned that this term might actually promote competition on practical ground. Some empirical studies shown that absent the narrow parity terms did not actually increased price differentiation. But if that narrow parity terms neither promoted nor discouraged competition, why they have to exist in the first place.

Lastly is the concern about meta-search sites like Trivago.com. Again it looks like to me although it claims that it compare hundreds of web sites for best pricing, the web sites they are searching actually belong to same beneficiary(ries). In other words, it create a false impressions of price comparison with the accommodation buyers think they get the best deals, but it fact that search excludes most or all actual rival offers.

- Firstly, if they are making a false claim of price comparison to its sensible meaning, or would this be the concern of the Commission
- Would that parity terms restrictions also applied to those meta-search sites, whether towards other OTAs or APs

Thanks for your time to review some of the feedbacks.