

To the kind attention of Mr T Breton
Commissioner for Internal Market
European Commission
Rue de la Loi / Wetstraat 200, 1049 Brussels, Belgium
cab-breton-contact@ec.europa.eu

Madrid, Kingdom of Spain. February 29 th 2024

Subject: OPEN LETTER ON THE DMA CHANGES IMPACT TO THE
HOTEL INDUSTRY

Dear Commissioner Breton,

I write to you as an experienced executive in the travel distribution business and as managing partner and CEO of Mirai for EMEA. Mirai is a company founded in Spain over 30 years ago which currently works with over 3,700 hotels, mainly in Europe, powering their digital assets, marketing & direct sales.

What am I writing this letter to you?

The purpose of this letter is to ask you as Internal Market Commissioner to reconsider the roll out of the (Digital Markets Act) DMA due to the impact it's having on the European users and the hotel industry.

I have been personally involved in the DMA roll out since 2022. In this context we have contacted your office, on several occasions, sharing our concerns on the potential possible effects of the DMA for the hotel industry.

Let me start this open letter by saying that, as a European and as a company executive, I am in favor of any initiative which aims at making the European market more fair, open and sustainable. I also understand the complexity of creating legislation that addresses the digital markets.

One of the key aspects of the DMA is [the definition of Gatekeepers](#) due to their relevance and influence in the European digital ecosystem. I understand the need to identify and regulate the business practices of these incumbents due to the high impact they have on people's lives and in businesses.

All the communications and analyses sent by Mirai to the EU commission have versed around the hotel distribution ecosystem specifically. As you know, the lodging industry represents a significant weight of the economy across the EU, specially in the southern countries.

As I already flagged to your team last summer I believe the gatekeeper list announced excluded a player which is a *de facto* gatekeeper for the lodging industry. This company is Booking.com. On July 4th 2023 Booking.com [spontaneously accepted that it would be within the DMA gatekeeper](#) thresholds by the end of 2023.

Since then the DMA ruling and compliance obligations have been coming into effect for the companies which were designated by the EU as gatekeepers.

I will now focus on Google and its hotel advertisement solutions specifically, due to their relevance and impact on the hotel distribution industry. The mentioned changes affect all players of the hotel industry but it has a much

more severe effect on SMEs due to their general lower digitalization and distribution knowledge.

What is the main point of concern?

Since mid January 2024, when Google started displaying the new sets of results derived from the DMA, the direct clicks to hotels have decreased dramatically. The first analysis was conducted by Mirai in January 2024 and revealed a loss of over 17% of the clicks going to hotels (direct traffic). The same analysis conducted in February revealed a loss of over 30%.

Note that the analyses conducted by Mirai in countries in which the DMA is not being applied (ie: UK or US) the direct clicks to hotels are clearly growing.

The correlation between the DMA changes and the loss of direct traffic to hotels is clear. We have further analyzed the figures to see if any other channel providing hotels similar solutions to Google comparison sites recouped the lost traffic but the answer is no.

What does this mean for the European users and the industry?

In my opinion these changes curtail user choice. The European users cannot see hotel direct results as they did before January 2024 this means reduced hotel visibility and limited ability to shop, compare and choose hotel products for the user. For hotels the new set of Google results inevitably means higher dependance on intermediaries, namely Online Travel Agencies (OTAs), which results in higher costs and less digital capability to better address demand.

Reading your [mandate letter](#) signed by President Ursula von der Leyen upon your designation as EU Commissioner I can see that one of the key areas of focus, amongst many others, on your mandate was to help businesses thrive and be more competitive with a specific focus on SMEs. A few verbatim quotes from the aforementioned letter follow:

“I want you to contribute to a comprehensive long-term strategy for Europe’s industrial future. This should cover all aspects that affect industry and its competitiveness, from investment and public procurement to trade, skills, innovation and supporting small and medium-sized businesses (SMEs).”

“I want you to contribute to the new SME strategy to help them scale up and expand, including through improved access to finance. As part of this, you will appoint a Commission SME Envoy.”

“You will be responsible for the smooth day-to-day functioning of the single market. I want you to focus on the implementation and enforcement of rules at the European, national, regional and local levels. You should also look at the remaining barriers relating to goods and services and help remove any artificial distinctions between new digital markets and more established markets.”

“I want you to take a close look at our intellectual property regime to ensure that it is coherent, is fit for the digital age and supports our competitiveness.”

“I also want you to lead the Commission’s reflections on issues such as Europe’s technological sovereignty in key value chains, including in the defense and space sectors, common standards and future trends.”

Mind me saying that the changes that are being rolled out do not, in any way or form, help the EU hotel industry (specially the SMEs) be more competitive, develop digital skills or remove barriers to the development of their commercial strategies & know-how.

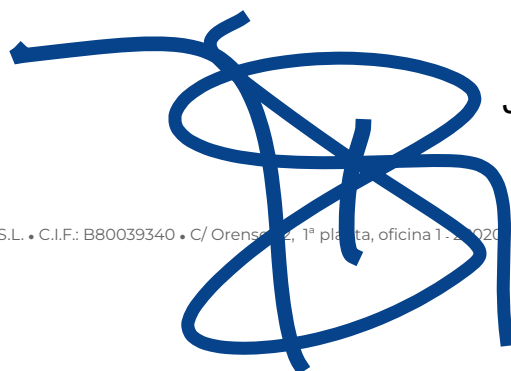
As mentioned before, any initiative that brings a fairer and open playing field is by definition positive, yet in this case, the original aim of the DMA is distorted resulting in a scenario that limits competition, consumer choice, hotel competitiveness and makes the European hotel distribution ecosystem worse.

I understand that Google is a key platform which needs to be considered as a relevant player in the European ecosystem, that is obvious, but limiting the Google product features like Google Hotel Ads that allow the hotel industry to be more competitive, profitable and autonomous only benefits platforms like the OTAs.

The impact of the current changes, should they become permanent, will entail billions of Euros of cost to European companies and, moreover, perpetuate a less fair and more closed digital ecosystem for Europe.

Please consider your position on this important matter. As previously stated we would be very happy to engage with your team to help define an ideal equilibrium applying the DMA framework in the hotel industry

Thank you for your time and attention, your truly



Javier Delgado Muerza