DG CNECT

Virtual meeting on Digital Services Act package with eDreams Odigeo

21 January 2021

BRIEFING NOTE (Commission Internal)

Scene setter/Context of the meeting:
You are meeting eDreams Odigeo (see CV attached). eDreams Odigeo is a global Online Travel Agency and metasearch site founded in the EU (currently registered in Luxembourg). It notably operates the eDreams, Opodo and Go Voyages travel agencies. News reports from July 2020 indicate that the company expects to ‘thrive’ post-Covid.

eDreams Odigeo has not contributed itself to the Open Public Consultation on the DSA. Like Expedia, Booking.com and Skyscanner, it is a member of EU Travel Tech, which issued a detailed position paper on the need for ex ante gatekeeper regulation on its behalf. eDreams Odigeo was also signatory of a recent joint industry letter on the DMA by 23 platform companies (including Spotify and ebay) sent to the Commission in November 2020.

eDreams Odigeo should therefore be understood to support the DMA, which addresses all of the core issues raised in EU Travel’s Tech’s position paper, notably self-preferencing (by Google’s search engine), combination of data between different core platform services and impeding multi-homing.

KEY messages

- Art 4(3) first subparagraph

- DMA

- Art 4(1)(b)
Position of eDreams Odigeo

On the Digital Markets Act:

- eDreams Odigeo aligns itself with other relatively smaller platform companies in calling for ex ante regulation of gatekeepers.

- Importantly, it considers that only the largest, systemic players are captured, both to maintain the strength of the obligations and to ensure an effective enforcement (burden-wise).

- eDreams Odigeo's focus is on the role played by Google as the most important originator of traffic to its services. It therefore believes the DMA should therefore primarily tackle self-preferencing (by Google's search engine), the combination of data between different core platform services (to create deep consumer profiles and outcompete sectoral players) and impeding multi-homing (by integration, tying and other practices).

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1 Based on joint industry letter of November 2020, as well as on EU Travel Tech position paper of 2020.
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eBay recommends that all players in the market should have an equivalent and broad access to the services offered by ecosystem platforms, without the risk of their data being harnessed and used by the ecosystem platforms to develop and/or promote competing businesses. The collection and usage of data within ecosystem platforms should be restricted, e.g. through unbundling of services.

The enforcement of this regulation should be dealt with on the European level to prevent fragmentation and ensure remedies are EU-wide. eDreams Odigeo thinks that the Commission would be well suited to carry out this oversight.

Background

eDreams Odigeo – company background

- The company operates as an online travel company that offers flights, hotels, vacation packages, train tickets, and car rentals with localized sites across countries worldwide. With registered office located in Luxembourg, the company was founded in 2000 by Javier Perez-Tenessa, James Hare and Mauricio Prieto with venture capital firms from Europe and the United States.
- The company, together with its subsidiaries in Spain, is one of the world’s largest online travel companies in the flight sector and the largest publicly traded European e-commerce company by profitability, with reportedly more than 15 million customers in 44 countries worldwide.
- A June 2020 news report mentioned that eDreams Odigeo had reached half a million paying subscribers, and another report of 2020 indicated that the company indexes over 2 million accommodation services.

eDreams Odigeo – financial results

- eDreams Odigeo had a market capitalization of USD 558 million (as at January 2021), a 2020 turnover of USD 600 million and a 2019 net income of minus USD 44 million.
- The company managed not to lay off staff (total staff amounts to 1100) as a result of the pandemic and believes it is well-positioned to thrive post-covid. Losses and liquidity would have remained stable.

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2 Source: Orbis and Crunchbase.
3 Edreams Now Has a Half Million Paying Travel Subscribers
4 eDreams ODIGEO strengthens its accommodation inventory and now offers more than 2.1 million properties worldwide.
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CV –

Art 4(1)(b)

Source: https://www.crunchbase.com

Contact: CNECT F2,