

COMPLAINT NUMBER	17/391
COMPLAINANT	W. Tomlinson
ADVERTISER	Trivago New Zealand
ADVERTISEMENT	Television
DATE OF MEETING	31 October
OUTCOME	No Grounds to Proceed

Advertisement: The television advertisement for Trivago explained how their service works stating, in part: “What would you like to pay for your room tonight? \$150, \$120 or \$99, it’s the same room with the same service, just different pricing... this is exactly what Trivago does for you. Trivago often shows you the price if you book directly with the hotel as well as prices from more than 200 websites.”

The Chair ruled there were no grounds for the complaint to proceed.

Complainant, W. Tomlinson, said: “I have watched with interest the ongoing – and major promotion by this advertiser.

They have an ongoing and changing repertoire of advertisements – some have general assertions others are more specific... In the case of the recent 30/9/17 advertisement last evening, I note the following; -

The Trivago advertisement message was based on lower pricing as per their standard assertion “same hotel, same room, same date – different price”. They used ‘Hotel Divitis’ as the example – this hotel does not exist.

They used signboards for the hotel direct website - price point \$120. They also had other signboards of other OTA suppliers at lesser price points and of course Trivago at \$99. Thus demonstrating the merit of using Trivago.

I contend that this cannot be supported in reality to a customer so this message is misleading – at best.

Their advertisements are changing and fast paced – the detail can get lost but the message from them is clear. I do not believe they can support their claims.

The reason behind highlighting the direct hotel website comparison is due the commerce commission setting new rules about the ‘anti ‘trust’ methods that OTA marketers were exerting on to the accommodation industry.

To allow these advertisements is contrary to the authority’s efforts and is being used as a counter to this by Trivago and other OTA businesses.”

The relevant provisions were Code of Ethics - Basic Principle 4, Rule 2;

The Chair noted the Complainant's concern the advertisement used an imaginary hotel to demonstrate they offered cheaper pricing.

The Chair noted the advertisement demonstrated the way Trivago aggregates pricing data to provide consumers with various pricing options. While she acknowledged the Complainant's point that the hotel used in the demonstration was not real, she said it was illustrative of how Trivago compares prices and only provided indicative prices. The Chair said the advertisement was unlikely to mislead consumers into thinking they could get a room at the hotel identified at the prices indicated.

The Chair noted the Complainant also raised concerns with the pricing practices of Trivago in general. The Chair confirmed that the role of the Complaints Board was to consider the likely consumer takeout of the advertisement and concerns relating to the trading practices of companies were outside its jurisdiction.

The Chair said the advertisement before her was unlikely to mislead consumers and was not in breach of Rule 2 of the Code of Ethics and had been prepared with a due sense of social responsibility to consumers and society required by Basic Principle 4 of the Code of Ethics.

Accordingly, the Chair ruled the complaint had no grounds to proceed.

Chair's Ruling: Complaint **No Grounds to Proceed**