

Regulating Information Asymmetries at Online Platforms for Short-Term Vacation Rental in European Union- Legal Conundrum Continues

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Abstract : Online platforms as new business models play an important role in today's economy and the functioning of the EU's internal market. In the travel industry, algorithms used by online platforms for short-stay accommodation provide suggestions and price information to travelers. Those suggestions and recommendations are displayed in search results via recommendation (ranking) systems. There has been a growing consensus that the current legal framework was not sufficient to resolve problems arising from platform practices. In order to enhance the potential of the EU's Single Market, smaller businesses should be protected, and their rights strengthened vis-à-vis large online platforms. The Regulation (EU) 2019/1150 of the European Parliament and of the Council on promoting fairness and transparency for business users of online intermediation services aims to level the playing field in that respect. This research looks at Airbnb through the lenses of this regulation. The research explores key determinants and finds that although regulation is an important step in the right direction, it is not enough. It does not entail sufficient clarity obligations that would make online platforms an intermediary service which both accommodation providers and travelers could use with ease.

Keywords : algorithm, online platforms, ranking, consumers, EU regulation

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