



European
Holiday Home
Association

Consultation on geo-blocking and other geographically-based restrictions

EHHA contribution

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INTRODUCTION

As a united voice for holiday homes and short term rental in Europe, European Holiday Home Association (EHHA), welcomes the opportunity to contribute to the European Commission's consultation **on geo-blocking and other geographically-based restrictions**. The holiday home rental industry in Europe represents 20 million beds and brings annually 80 billion EUR.

EHHA is a membership association which encourages, promotes, represents and protects the interests of the holiday home rental sector at both EU and member state level. Its members are companies engaged in the marketing and distribution of holiday homes through both on line and off line methods, member state holiday home trade associations, and companies who may provide ancillary services to EHHA members.

CONTRIBUTION

EHHA has chosen to contribute to the survey by providing its own paper rather by responding to the questionnaire.

EHHA highlights that the term "geo-blocking" is currently used on a number of different situations and it would find very helpful if the Commission could clearly define and point to specific cases when geo-blocking is considered unjustified.

EHHA immediate view on geo-blocking is that traders use it as part of their customer service and that geo-blocking should be seen in relation with the freedom of contract which ensures that traders are free to choose who they want to deal with.

For example, no law can override a company's obligation to comply with any sanctions that may make it illegal for that company, by reason of either its ownership or location, to offer goods and services in or to a particular country.

In addition, some countries have companies or individuals whose purpose for visiting a website is to steal or disrupt. EHHA believes, that no EU law can be allowed to prevent a company from choosing to block a particular country from access which it considers would impose a material risk to its business.

Moreover, pricing across markets can be different for a number of reasons – reasons include, but are not limited to, currency differences/ taxes/ supply and demand for particular destinations at different times of the year (for example a holiday villa in some weeks in July is worth more in a country where the school holidays have started than in a country where the children are still at school). EHHA is convinced that no such law should distort the free market.



EHHA believes that in many cases the different variations of geo-blocking can actually be helpful to the consumers because they are rerouted to websites where goods are adapted to the consumers home market when it comes to user manuals, labelling of products, product sizes and customer service is conducted in the customer's own language.

EHHA generally supports the Commission in its quest to create a digital single market where it is easier for both traders and consumers to deal in the internal market of the EU. However, traders should not be forced to carry out their business in markets where they cannot make any profit but face losses. This situation would only make European businesses less interested in cross-border selling.

EHHA ADDITIONAL VIEWS ON CERTAIN ISSUES AND POSSIBLE SOLUTIONS

Business and cultural challenges

EHHA is convinced that it is challenging to achieve a high level of customer service when the customer lives in a different member state and speaks in a different language. It is important to remember that the European hospitality industry is made of 1.8 million businesses, 99,5% of which being SMEs and 91% being micro enterprises (i.e. employing less than 10 people). SMEs simply do not necessarily have the skills needed to provide customer service in different languages. In addition, SMEs run a greater financial risk when they enter into new market as it is very difficult for them to counter a credit card fraud.

EHHA agrees with the general principle of free movement of goods and services in the EU, however, certain measures should be facilitated in order to support and encourage SMEs to provide their services cross-border. Taking into account financial constraints and risks, limited human and time resources, we are in favour of leaving the choice to provide cross-border services up to SMEs.

EHHA suggestions:

- Rerouting and geo-blocking must be allowed to maintain a fair level of flexibility between online and off line purchases
- Cases of geo-blocking that are considered to be a breach of the competition regulation must be clearly defined
- Cases of unjustified geo-blocking must be identified and dealt with through a targeted solution instead of a general ban on geo-blocking
- Traders must make sure that their websites clearly identify the countries to which they deliver

Price differentiation in a market economy

EHHA is convinced that traders set their prices at a level where they believe they can sell their goods and at the same time make a profit.

EHHA highlights that cost of labor, housing and living standards vary a lot throughout the 28 member states and sometimes even within a single member state. In a market economy, this creates the need for different prices based on the market you enter into.

EHHA strongly supports the permission for traders to operate with different prices that are adjusted to individual markets.