

# THE WAR OF PLATFORMS: FRENCH GOVERNMENT TO LAUNCH AN AIRBNB COMPETITOR



The American giants Airbnb and TripAdvisor as well as their Dutch group Booking.com will soon have a competitor in France. The French government plans to set up a national booking platform dedicated to tourists who want to access offers for tourists in France, such as accommodation and restaurants.

The project, the cost of which is estimated at €1.3 billion, will be financed by Caisse des Dépôts and Bpifrance. It is part of the recovery plan for tourism, announced by Prime Minister Édouard Philippe recently. **In total, the government plans to invest 18 billion euros to help the tourism sector recover after the coronavirus pandemic has put it at risk.**

A press release from the Inter-ministerial Committee for Tourism indicates that the Airbnb competitor platform will not be ready for this summer, but it should be operational by 2021.

According to CEO of Caisse des Dépôts, Eric Lombard, French tourism should no longer be dependent on paid community platforms for renting and booking accommodation such as Airbnb and Booking.

He supports the need to re-appropriate a link with customers and at the same time offer more comprehensive information on the country's tourist attractions, i.e. places to visit, opening and closing hours, etc.

With this project led by the President of the Bank of the Territories, Olivier Sichel, the French government should have full control over tourism offers in France. However, the challenge remains enormous as it will not be easy for players such as Airbnb and Booking.

**The service offered by Airbnb is very popular in France. 8.5 million French people used it during last year's summer holidays.** Also, between April 15 and May 15, 2020, 21.2 million French people searched for accommodation for the coming months on the platform.

This high number of users has allowed the American giant to better understand the needs of the French customers in terms of holiday home renting. However, this did not prevent Airbnb from laying off 25% of its workforce, or 1,900 people worldwide, due to the economic slowdown caused by the coronavirus pandemic.

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