



BLOCKCHAIN IN TRAVEL SECTOR

A Quick Summary



CryptoIndexSeries

TRAVEL

The travel industry involves a number of third parties such as Booking companies, travel agencies, exchange bureaus, banks. Some of the problem due to this long chain of intermediaries include, but not limited to:

- Information lags, delays, overbooking and financial losses as a result
- Significant amount of commissions to travel agents
- High commissions of Exchange Bureaus and ATMs when used in a foreign country
- Fraud risks

Some of the areas of interest in Travel Sector and how Blockchain Technology will address these areas are summarized below.

Double-booking

Overbooking is a problem for both hotels and all sorts of transport modes (eg.airlines, coaches,etc.). In some cases, though, this practice is carried out to increase utilisation against potential cancellations. If the industry decides to change and automate all the booking process, Blockchain solutions can remove this problem of double booking by preventing double-spending.



Dispute Resolution

The immutability of records in distributed data ledgers make it possible to prove easily whether an end user has booked a service, received a service or paid for the services delivered or not. This property of blockchain solutions makes it easy to resolve disputes and eliminates waste in customer management processes.

Payment and Settlement

Transnational property of blockchain solutions make it possible for tourists to pay in cryptocurrencies. Thus, with the advancement of Blockchain Solutions in Travel sector (and other sectors) unbanked customers can also travel and pay for services received in cryptocurrencies.

Blockchain solutions will potentially remove intermediaries and their fees or lead them to change their services in favour of end users. Real-time money transfers, almost-instant settlement, streamlined and continuous auditing will greatly benefit the travel industry.

Loyalty Programmes and User Incentives

With the integration of blockchain solutions across all different transportation/accommodation companies in travel sector, the utilisation of cryptocurrencies in loyalty programmes can increase. Especially when the utilisation network of these currencies grow, economic models with more user incentives will come about. By utilising these incentives, the travel industry can involve end users more in testing their strategies or changes in direction. (Official, 2019)

Other issues that may be affected include traveller profile determination and segmentation for better strategy setting, luggage tracking, policy compliance and smart contracts.

Subsectors

Airlines, Hospitality, Coach/Ferry Providers, Car Hire

Stakeholders

Travel Agencies, Travelers (tourists), Booking companies , Hotels, Airlines, Ferry/Yacht companies, Coach companies, Car hire companies

Asset Type

The type of tokens in this sector are generally utility tokens with exceptions. Depending on the coin, there are different services provided. Examples to these services include, but not limited to, booking a service, receive refunds, real-time money transfers for service payments, validation of smart contracts, luggage tracking, etc.



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