Blockchain Workshop/Conference

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Tourism Domain Report (White Paper)

Akio Suzuki
Travel and Tourism Domain Coordinator
World Tourism Growth

UNWTO Annual Report of 2016

- International tourist arrivals 1,235 millions
- Growing up about 4 % annually for the past 7 years
- Tourism is one of the most rapidly growing domains
What issues exist in the domain

- High commission rates by intermediaries
- How to supply local travel products and to let local suppliers be acknowledged by global consumers
- How to solve small amount of payments
- How to secure personal information, etc.
- How to startup new businesses in the domain
- How to get appropriate customers’ feedback

Blockchain technologies could break through the difficulties listed above.
Big Players in the domain

The following small number of the GDSs and OTAs are functioning dominantly in the world market. They are growing bigger and bigger.

- **GDS (Global Distribution Systems)** for Airlines, Chained Hotels, Car Rentals Amadeus, Sabre, Worldspan, etc.

- **OTA (Online Travel Agents)** for Hotels, etc. Priceline, Expedia, Booking Group, etc.

- Each—Centralized architecture and a controlling organization
Big Players’ networks

Centralized architecture

Suppliers
(for Travel products & Information)

Big Players–Intermediaries

Buyers
(Corporates or consumers)
New comers by Blockchain technologies

Decentralized architecture
Winding Tree case

- Travel distribution platform provider with Blockchain (for Hotels, airlines, tours, car rentals, activities, etc.)
- Public
- Ethereum at first and then other blockchains to guarantee full uptime
- Open to suppliers and sellers
  Smaller travel players could function on the platform with secure environment and cheaper cost
- No distribution fees, but a small amount of transaction fees when to book travel products
- Cost to develop and maintain could be paid by operating their cryptocurrency, Lif tokens
- Implementation started

- Against Big Players
TUI case

- A large German tourism related company, owning their own hotels, cruise liners, airplanes, tour operators, travel agencies, etc.
- Blockchain technologies could be applied to booking travel products, hotels, etc. and payment
  - Private (for the use within TUI group companies)
  - Ethereum to use smart contract
- Cost savings and revenue growth could be expected by Blockchain technologies
  - Implementation started

- Against Big Players
What future the domain will have

- Severe competition among centralized architecture systems and decentralized ones in the future

- Competition between suppliers and Intermediaries

- Who could get more customers – It could not be predicted easily, but Blockchain technologies might have the power to change the present situation.
What should be done, as a domain activity

- T/T domain has been accumulating a large data set since UN/EDIFACT

- They are available to any tourism related users (suppliers, buyers, etc.)

- Continue to develop data for Experience programs and any other new information or products which the domain users will request in the future, including those data necessary to use Blockchain technologies
Thank you

akiosuzuki@jtrec.org