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“It’s the first native digital medium for value, just as the internet was the first native digital medium for information.”

- Harvard Business Review on Blockchain

In the digital age, as customers move across the travel value chain, they leave a trail of complex commercial transactions between traditionally unconnected players. Despite automation, payments and settlements in the travel industry continue to be challenging and time-consuming. A complex distribution system, frequent cancellations and refunds, and disconnected customer touch points add to the operational challenges in the travel industry.

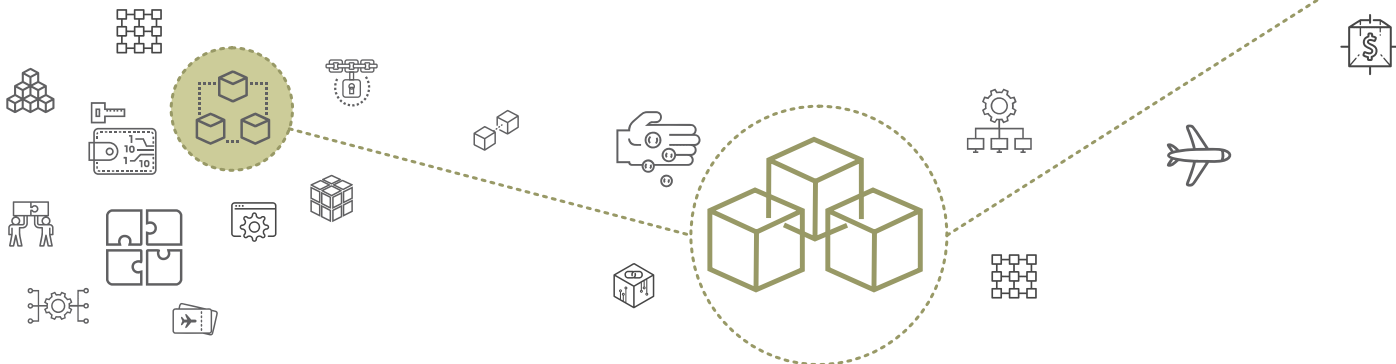
Blockchain, the distributed ledger technology, can bring in the seamless integration, agility and speed required between disparate systems as:

- It enables shared, simultaneous access to the same version of updated data across multiple players, while also enabling diverse points of data entry
- It embeds cryptographic protection and a transaction validation mechanism¹ giving all

stakeholders a level of trust and data protection not available with other technologies

- Transactions once entered into the digital ledger of a private blockchain can be moderated only by the owners, assuring the participants of the integrity and authenticity of transactional data

Drawn to the potential of this technology, travel players are exploring the role blockchain can play in key areas.



1. <http://sammanatics.com/blog/2016/3/6/how-transactions-are-validated-on-a-shared-ledger>



Maintenance, Repair & Overhaul

The digital ledger can be shared by airlines, Maintenance, Repair and Overhaul (MRO) teams and Original Equipment Manufacturers (OEMs) to record flight operations, conditions and scheduled aircraft maintenance

checks. It can also help forecast when repairs should be made. Payments for parts or services will not be subject to delays.⁵ Blockchain can also help calculate the average stopover and based on

the average traffic handled by the Air Traffic Control Center, the average take-off time can be calculated, thus providing all players accurate runway information.

Supply and Vendor Management

Blockchain can enable hotels to get visibility on supplies right from the farm or factory till it reaches the end customer in a room. A private blockchain can connect

exporters/importers, packers and others in the supply chain. By understanding clearly what is being farmed/grown and when the harvest occurs, distributors can assess to

what extent market demands can be catered to, and also map what consumers want to increase the demand and supply of specific products.

5. https://medium.com/@akme_c/blockchain-platform-ideas-that-will-enable-the-airline-industry-80b1eae9b56



Adoption of Blockchain: A Long, Hard Road?

The blockchain market is pegged to be worth around USD 2.3 Billion by 2021.⁶ However, true broad-based adoption might still be far away. For all the buzz that blockchain is generating, experts believe that a firm understanding of its nuances

and techniques — even limitations — has not been achieved.

A Deloitte⁷ survey of large companies in the U.S. found that almost 39 percent of senior executives indicated they had little or no

knowledge about blockchain technology. Businesses are wary of investing in a technology that is still at a nascent stage. But senior executives who are well-informed about the potential of blockchain have begun investing in this technology.



6. <http://www.the-blockchain.com/2016/10/11/blockchain-market-worth-2-3-billion-usd-2021/>

7. <https://www2.deloitte.com/us/en/pages/about-deloitte/articles/press-releases/deloitte-survey-blockchain-reaches-beyond-financial-services-with-some-industries-moving-faster.html>

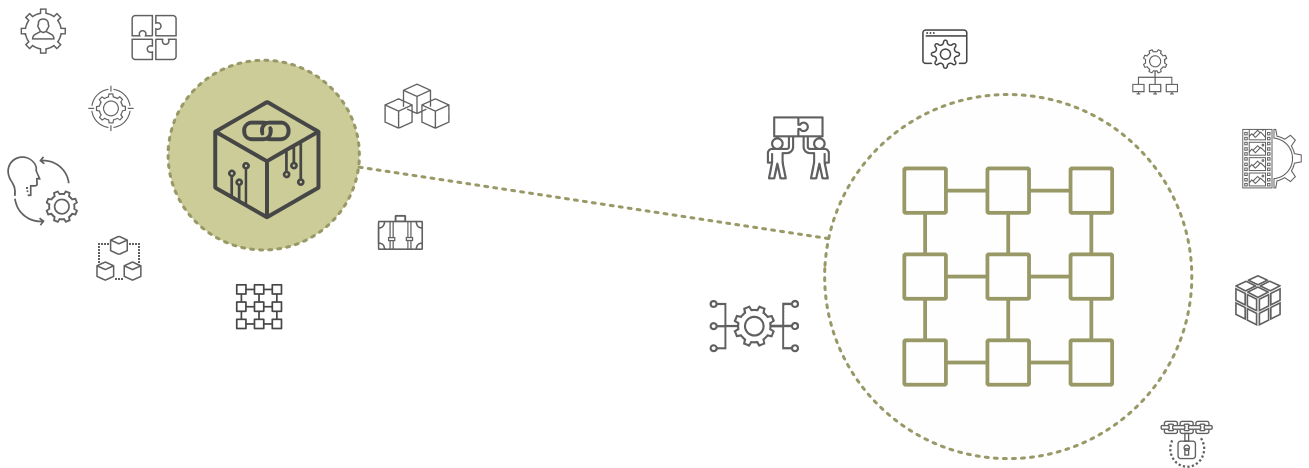


Perhaps one of the most telling illustrations on the state of adoption of blockchain is a recent survey response⁸ by executives wherein the *likeliness* of adoption of blockchain to resolve specific problems trailed the *potential benefits* delivered by it. Although this particular survey was for the logistics industry, it exemplifies the

current thinking on blockchain adoption across all industries — everyone seems to acknowledge that it delivers benefits, but can't see how they will adopt it.

While the game is all set to change in the next three to five years, it's imperative to remember that blockchain is not a 'disruptive'

technology, but a 'foundational' technology.⁹ Industry-wide public blockchain initiatives might open up newer business opportunities or lower barriers to entry in some parts of the travel value chain. Can there be a more compelling proposition to watch this technology closely?



8. https://www.researchgate.net/figure/318724655_fig7_Figure-5-Evaluation-of-Use-Cases

9. <https://hbr.org/2017/01/the-truth-about-blockchain>



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