

Chapter 7

Blockchain Technology: A Revolution in the Hospitality and Tourism Industry

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ABSTRACT

Travel and technology tend to possess seamless amalgamation. Advancements in technologies are significantly changing the way people travel, with exciting and promising experiences. Incorporation of smart devices and solutions in businesses enables easier ways to analyze, collect, as well as share the real-time data with vendors. One such concept includes blockchain technology, inclusion of which brings about an extreme change in the way the data are being accessed and stored. This technology enables the businesses to fortify operations, transactions, as well as processes, thereby bolstering productivity and growth and discovering newer profit models. This chapter discusses the different competitive advantages offered by the tourism businesses on inclusion of blockchain technology in their strategic-decisions and emphasizes how the blockchain concepts help in simplifying the tourism and hospitality businesses, amidst different challenges being faced by these industries.

INTRODUCTION

In the era of digitalization, blockchain is one of the latest technologies, with much of its potentiality yet to be explored. This technology is on the edge of reforming trade finance sector, and hovers to leave aside the businesses and services which

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do not cope up with the current scenario (PWC, 2018). Businesses nowadays are engaged in assigning more of its resources to research, with the incorporation of this technology in operational activities on a daily basis. It is considerably one of the foundational technologies rather than the disruptive ones, owing to the fact that the social and economic systems nowadays, can be based on the concepts of the same.

Blockchain technology owes the capability to completely turn over, the overall industrial structure. The technology was primarily associated with Bitcoins, however, in today's scenario, it is gaining significant traction across different verticals. Cryptographic, tamper-evident, trust-free, as well as proven chronological integrity and security structure of blockchain enables development of decentralized self-directed establishments, generating smart contracts, digitizing fiat currencies and several other applications (Dogru).

In the hospitality sector, blockchain emphasizes on opening new applications and potentials, which are not only promising, but also inevitable over the forecast period. The technology helps augment the guest experience, foster innovations, as well as enhance the efficiency and effectiveness of hotels (Srivastava A.). Features such as decentralization, programmability, transparency, and immutability, empowers organizational processes and structures, enables methods to strategize customer relations, and simplifies new forms of interorganizational associations. The technology is expected to bring in favorable changes, thereby leading to stress-free experiences from stressful experiences.

Incorporation of blockchain in the hospitality and tourism industry largely depends upon the take of new technologies and innovations within the business environment. However, there are few assumptions and concerns regarding integration of blockchain with current systems and its adoption. The chapter outlines the market determinants impacting the implementation of blockchain technology in the hospitality and tourism sector, with analysis of different challenges and trends in the market.

Research Questions

- Need for blockchain technology in the hospitality and tourism industry?
- What are the growth opportunities and trend analysis for the blockchain technology in the hospitality and tourism sector?
- What are the factors bolstering the demand for this technology?
- What are the competitive advantages offered by the concept of blockchain in hospitality industry?
- Impact of COVID-19 on the inclusion of the decentralized networks in businesses.

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