



Phocuswright's
Roundup: Web3 Is Proving its Value in Travel

Written By: Norm Rose

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Introduction

After years of hype, 2023 is proving to be a pivotal year for Web3 as this set of decentralized technologies is now delivering concrete, measurable value to the travel industry. Many Web3 companies have only emerged within the last several years but are already driving changes in the way travel is booked, paid for, exchanged and settled.

Critics who characterize Web3 as a technology looking for a solution may be surprised to learn that some Web3 startups are actively generating revenue and decreasing costs throughout the travel industry. Clearly, Web3 has moved from concept to practical use cases, and is poised to grow rapidly in the value it provides to the industry.

Examples abound around travel. Here is a summary of concepts in play today. Specific examples follow below.

- Increasing efficiency and lowering cost of payment/settlement, offering a [single source of truth](#) for leisure and corporate travel
- Transforming loyalty from collecting points to real-world benefits for travelers when they arrive at their destination
- Creating a direct distribution environment for airlines, hotels and short-term rentals that bypasses the control and fees of traditional middlemen such as OTAs and TMCs
- Enabling large hotel chains to connect directly with their most favored distributors, reducing costs and providing unique inventory
- Creating NFTs (non-fungible tokens) for hotel reservations and airline tickets. This can provide new flexibility for the traveler and fuel secondary sales markets controlled by smart contracts governing resale, refunds, and exchanges
- Promoting [attribute-based selling](#) of hotel rooms through immersive visualization of properties, enabling the selection of a particular room based on its attributes
- The emergence of dedicated ecosystems governed by the travel industry that enable cross-vendor loyalty, dramatically lower transaction fees and faster settlement

Separating the Hype From True Business Impact

As with any emerging tech trend, expectations are often inflated, especially on day-to-day travel business practices. In the case of Web3 and blockchain, the promise for a new, decentralized travel infrastructure may seem far away as traditional Web2 players still dominate all aspects of travel booking and distribution. But things are changing fast.

There are dozens of startups focused on some aspect of Web3, with new startups emerging monthly. Many of these startups are providing travelers with new capabilities and flexibility while impacting overall cost of distribution and settlement for industry players.

Reviewing the Landscape

The chart below summarizes 17 companies that are achieving real-world success by implementing Web3 technology. Sources for company information include vendor conversations, vendor websites, PhocusWire articles and [Web3 Travel Tech Startups](#) by Mauricio Prieto.

Company name, year founded, primary segment focus	How the company is using Web3 technologies	Value to the travel industry	Current progress and traction	Outlook for 2023
<p>Arise Travel</p> <p>Founded: 2018</p> <p>Key Segment: Focusing on hotel distribution with a hotel's corporate and leisure partners</p>	<p>Arise Travel uses a distributed ledger to synchronize state changes between network participants' infrastructure to achieve a single shared source of truth for hotel data.</p>	<p>Data standardization and replication automatically directly connects parties together, with everyone still controlling their own infrastructure. This removes the need for everyone to spend resources on building and maintaining integrations to APIs and keeping their cache up to date. Enables greater collaboration between hotels and their partners with increased profits.</p>	<p>Currently onboarding first large global chain and a couple of smaller/midsize chains with the first corporate partner.</p>	<p>First hotel chains are successfully distributing efficiently with the first demand partners using the technology, with more hotel chains and partners expected to join later in the year.</p>
<p>Blocksky</p> <p>Founded: 2017</p> <p>Key segment: Enterprise travel booking and payments</p>	<p>Blocksky provides a single source of truth for all parties and applications, including servicing and settlement. Significantly reduces transaction, payment and settlement costs.</p>	<p>Facilitates omnichannel strategies, supplier-direct integrations, modern retailing and cost savings.</p>	<p>Over 86 full-time, U.S.-based employees. Over \$1 billion in top-line sales and growing.</p>	<p>Onboarding new clients and supplier integrations (air, hotel, and car).</p>
<p>Chain4Travel</p> <p>Founded: 2021</p> <p>Key Segment: All leisure segments</p>	<p>Developed by Chain4Travel AG. Camino provides a stable and secure network for B2B and B2C leisure travel products. Camino uses smart contracts to speed up payment and settlement with low transaction costs. Camino decreases blockchain processing and settlement to seconds.</p>	<p>Camino offers a versatile development platform to map and expand travel's current business models and create new travel-related products and ways to interact with travelers. The Camino Blockchain is a Decentralized Autonomous Organization (DAO), operated, maintained and governed by the travel industry for the travel industry.</p>	<p>Chain4Travel has sold 50 million of its Camino (CAM) tokens, raising €5.2 million. 300 international companies and private investors across Europe, Asia, North and South America and Australia were involved in its initial token sale.</p>	<p>Chain4Travel launched its Testnet in 2022 and intends to launch its Mainnet in 2023. The blockchain will be audited by international cybersecurity specialist Hexens before it goes live, who will also support Chain4Travel by organizing a "bug bounty program." The first dApps (applications built on the blockchain) are planned for 2023.</p>

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<p>Dtravel</p> <p>Founded: 2017</p> <p>Key segment: Vacation rentals</p>	<p>Provides short-term rental hosts and property managers with infrastructure that enables on-chain bookings via a new Web3 ecosystem.</p>	<p>Provides greater control and more equitable compensation, enabling greater independence from OTAs and leveraging the promise of cryptocurrencies and decentralization.</p>	<p>Currently integrated with three PMS platforms representing 300-600 properties for direct booking. Using smart contracts to manage the rules of engagement.</p>	<ul style="list-style-type: none"> • Adding additional PMS connections to the platform. • Developing metasearch tool to enable the consumer to search across vacation rental properties. • Implementing a Decentralized Autonomous Organization (DAO) which will enable the Dtravel network to be governed by its members.
<p>Hotelverse</p> <p>Founded: 2020</p> <p>Key Segment: Hotels and Resorts</p>	<p>Hotelverse creates a 3D digital twin (e.g., a digital representation of the hotel) of hotels for an immersive booking experience to cut out the middleman and generate extra income.</p>	<p>Hotelverse allows hotels and resorts to achieve a higher direct channel conversion rate.</p> <ul style="list-style-type: none"> • Enables rooms to be booked in a higher category by allowing the guest to understand the value proposition and the uniqueness of their room choice. • Increases ancillary sales by using attribute-based pricing and selling, letting the consumer choose specific rooms and amenities most relevant to them. 	<p>Hotelverse continues to disintermediate hotel sales by providing a value proposition that cannot be replicated by the OTA channel. The focus is on improving product knowledge to attract the consumer more efficiently (directly).</p> <p>Hotelverse has raised a total of €2 million in funding over two rounds. Their latest funding was raised in September 2022, from a seed round. Additional fundraising will be completed in 2023 with a third round of €3 million.</p>	<p>The business plans for the company include short-term internationalization. Currently Hotelverse is active in the Caribbean, and they plan to cover new markets such as the U.S. and Greece in the coming months, with an Asian presence later in 2023. Hotelverse videos can be used in Web2 and they plan to bring the content to the metaverse.</p>

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<p>Life Rewards</p> <p>Founded: March 2022</p> <p>Focus: Hotels</p>	<p>Life Rewards uses NFTs to unlock rewards and discounts, gamifying travel and creating a secondary market for exchange-purchased products.</p>	<p>Currently, no secondary income is available to hoteliers.</p> <ul style="list-style-type: none"> • LIFE caters to the unique millennial customer who is looking for VIP experiences. • Payment system is integrated with the platform. 	<p>Working on incorporating all sources of travel supply. The platform can pull in inventory from any feed, and then adds a secondary resale market.</p> <ul style="list-style-type: none"> • The goal is to have hotels access the liquidity of this resale market. • LIFE wallet holders can also purchase hotels in crypto. 	<p>To enable primary booking for all included properties using NFTs. Beta version of hotel resale project should go live by 3Q23. Event ticketing and experiences on near-term roadmap. Positioning LIFE as travel wallet to store NFTs.</p>
<p>LockTrip</p> <p>Founded: 2017</p> <p>Focus: Hotel and short-term rental distribution</p>	<p>LockTrip has developed a blockchain-based marketplace for booking hotels and private accommodations.</p> <p>Currently operating in a centralized mode, the goal of the LockTrip.com marketplace is to become an interface for a global, trustless travel inventory system propelled by blockchain, moving to a more decentralized model.</p>	<p>The platform eliminates fees and commissions and allows hosts and travelers to transact directly, without any intermediaries.</p> <ul style="list-style-type: none"> • For every booking made, LockTrip takes a 3% commission on the booking value. This is low in comparison to other OTAs that take a variable commission starting from 10%, up to a whopping 60%. 	<p>LockTrip currently offers global coverage to about 100,000 hotels, with prices in the marketplace approximately 19% cheaper than the cheapest alternative – Booking.com, on average.</p>	<p>LockTrip's NFT Travel Matrix is designed to become the core component of the marketplace, connecting hotels, travel agents and travelers through a giant decentralized (e.g., trustless) marketplace of accommodations. The NFT matrix will provide the user an unequivocal proof of right to use a given room-night inventory.</p>

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<p>NeoKe</p> <p>Founded: 2022</p> <p>Focus: Digital identity, loyalty, and access control solutions for travel (accommodations, airlines/airports, retail)</p>	<p>NeoKe is a blockchain-based digital identity solution for travel. Neoke enables secure, seamless, and personalized trips for travelers through smart information exchange with travel providers.</p> <ul style="list-style-type: none"> Learn more about Self-Sovereign Identity (SSI) here. 	<ul style="list-style-type: none"> Security (technology architecture) and efficiency (costs and better throughputs) Process automation: from visas to access control Connectivity and synchronization in travel with persistent identity leading to seamless and personalized travel 	<ul style="list-style-type: none"> Live with the check-in product with 125 vacation rentals in Spain Building a destination-level proof of concept (PoC) for seamless travel/visitor passes Pilot planned with a global hotel chain to facilitate with seamless sign-on using SSI to drive conversion and to automate check-ins. Loyalty PoC development with travel retailer Ongoing integrations with Hotel PMSs, smart lock companies, biometric access control companies Pilots planned with midscale hotel companies to fill the identity gaps and automate check-ins 	<p>NeoKe product goals for 2023: NeoKe Wallet: The travel wallet for identity management and secured access</p> <ul style="list-style-type: none"> NeoKe Connect: Persistent identity management for travel providers through identity proofing and onboarding, cross-channel authentication and account recovery Nio: Enabling swift and secure identity with biometrics
<p>New Frontier</p> <p>Founded: 2021</p> <p>Focus: Connecting virtual reality (VR) with real-world benefits</p>	<p>New Frontier designs innovative tourism engagement using VR, NFTs and the metaverse.</p> <ul style="list-style-type: none"> Engagement is driven by gamified experiences, treasure hunts, challenges and trails that use both the real world and the virtual world. These experiences can be layered on top of real-world visits through virtual or 	<ul style="list-style-type: none"> Creates new sources of revenue for the travel industry, enhancing the experiences and enabling a pivot to quality of experience as a measurement goal. Attractions can engage specific demographics interactively. Encourages Web3 usage through emphasizing 	<p>Working with two key metaverse projects: Decentraland and Sandbox.</p> <ul style="list-style-type: none"> New Frontier has partnerships with tourism bodies in Scotland and Mexico focused on engagement through gamification and Web3 interactions. Using NFTs as part of loyalty and reward schemes, fraud 	<p>New Frontier has a healthy pipeline of customers in Scotland, the U.K., Mexico and globally.</p> <ul style="list-style-type: none"> Expanding relationships with tourism and attractions in Europe and then globally. Developing an empirical study with Dundee Business School on the economics of NFTs in tourism.

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	<p>hybrid experiences which move between both worlds.</p>	<p>education and community involvement in the discovery of NFTs and the metaverse as new technologies.</p>	<p>prevention and identify verification.</p>	
<p>PicoNext</p> <p>Founded: 2022</p> <p>Focus: Hotels, resorts, cruise lines, adventure travel, airlines, entertainment – plus a few experience brands</p>	<p>PicoNext is an end-to-end platform for travel industry brands to engage their customers using Web3 technologies.</p> <ul style="list-style-type: none"> • No coding, Web3 or technical skills required. • Offer digital postcards, rich-media experience tokens, social impact mementos and event tickets using Web3 NFT tokens. • Web3 social marketing with guests sharing mementos using Instagram and other social media. 	<p>PicoNext uses integrated Web3 token design, loyalty, community and branded marketplace capabilities. This enables PicoNext clients to attract and retain Gen Z and Millennial customers.</p> <p>Through a white-labeled solution, PicoNext allows companies to:</p> <ul style="list-style-type: none"> • Create Web3-enabled experiences • Attract Gen Z and Millennial customers • Engage those customers using Web3. NFTs can be shared by guests on Instagram to drive brand awareness 	<p>Working with initial properties and targeting digital agencies who support hospitality brand to expand the network.</p>	<p>PicoNFT will work with its initial partner brands to continue to experiment with Web3 technologies to attract Gen Z and Millennial customers. This will yield expanded use cases in travel and hospitality, including more widespread implementation of Web3-enabled loyalty programs, event ticketing and social impact initiative.</p> <p>Go-to-market strategy for 2023 includes targeting digital agencies that work with hospitality brands and locations adding PicoNext as part of their service.</p>

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<p>Pinktada</p> <p>Founded: 2020</p> <p>Focus: Membership-based primary and secondary market for hotel rooms</p>	<p>Pinktada has created an online marketplace that allows travelers to book a specific room and then swap or sell their reservation if their plans change.</p> <ul style="list-style-type: none"> • Pinktada also lets travelers explore rooms and amenities in 3D prior to booking. 	<p>In addition to the ability to showcase attributes of their properties, hotels receive payment upfront and can gain additional revenue from upgrade and upsell features.</p>	<p>Currently available for hotels in Florida, NYC, Mexico, San Francisco and the Bahamas</p>	<p>Continued expansion of hotel properties, destinations and members</p>
<p>WindingTree / Simard</p> <p>Founded: Winding Tree 2017; Simard 2021</p> <p>Focus: WindingTree – Decentralized travel distribution marketplace (WTDM)</p> <p>Simard – Corporate travel</p>	<p>WindingTree created the first decentralized travel marketplace (WTDM) in 2018 based on the Ethereum blockchain.</p> <p>Simard is a sister company, providing technology services to commercialize the WTDM with an initial focus on corporate travel distribution.</p>	<p>The WTDM enables a peer-to-peer connection between suppliers and corporations.</p> <ul style="list-style-type: none"> • This provides lower transaction costs and the ability to connect once into the network, eliminating the need to maintain multiple API connections to customers. • Corporate identity and negotiated agreements are automated through smart contracts. 	<p>After a successful trial period with Ernst & Young focused on leisure travel, Simard is working with EY to bring on corporate travel suppliers.</p> <ul style="list-style-type: none"> • Currently American Airlines and United Airlines connect into the WTDM, and talks are underway with two major hotel chains. 	<p>Simard is now driving the WindingTree effort and will use the EY use case to expand to other corporate customers and implement new products around payment and personalized corporate bundles.</p>

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<p>Stay Open</p> <p>Founded: 2019</p> <p>Focus: Operates high-end hostels with dedicated co-working spaces in repurposed buildings catering to digital nomads and traditional travelers.</p>	<p>Stay Open has a beta rewards program called Stay Pass that allows guests to accumulate rewards tokens that can be redeemed for stays, events and other benefits.</p> <ul style="list-style-type: none"> The tokens can be easily gifted or sold to anyone with a digital wallet. Stay Pass holders will also receive automatic discounts on bookings when their digital wallets are connected to their booking site. Stay Open can also easily offer other NFT holders automatic discounts/perks as long as their wallet is connected to the booking platform. 	<p>Stay Open offers digital nomads affordable high-end shared accommodations, enabling them to go to more places, stay longer, and meet other open minded digital nomads.</p> <ul style="list-style-type: none"> Allows easy transferring of rewards points to other people. Allows seamless integration for cross-brand promotions such as Starbucks. 	<p>Stay Open's first 10-pod MVP property is open in Venice Beach, California, running at nearly 90% occupancy. Stay Open repurposed an office that was previously used by Snapchat. Stay Open's beta Web3 booking platform is operational but not yet live. Stay Pass NFTs have been issued to a select group of people.</p>	<p>Stay Open plans to open their next location with 100 pods and partner with real estate funds to acquire empty office buildings to convert to Stay Opens.</p>
<p>Travala</p> <p>Founded: 2017</p> <p>Focus: Consumer travel</p>	<p>Travala is the world's leading blockchain-based travel booking platform trusted by thousands of customers worldwide.</p> <p>Travala collaborated with the Binance Chain, a community-driven blockchain software system developed by leading crypto exchange Binance and its global community.</p>	<p>Travala has created a frictionless travel booking experience that incorporates next generation blockchain technology and tokenized incentives.</p> <ul style="list-style-type: none"> Travala offers multiple cryptocurrency and traditional payment options alongside benefits tied to their proprietary cryptocurrency AVA, backed 	<p>January 2023 monthly revenue exceeded \$3.4 million.</p> <ul style="list-style-type: none"> The total number of room nights booked was 6,541. The total number of flights booked was 2,925. A total of 117,654.63 AVA in giveback rewards was distributed to travelers in January, equal to approximately \$80,487 as of February 1, 2023. 	<p>Travala's roadmap includes features like decentralized reviews and accommodation bookings, a decentralized referral system and a decentralized salesforce by integrating tokenized rewards as incentives.</p> <p>Decentralization provides a trustless environment where transactions including reviews</p>

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		<p>by Travalá's Best Price Guarantee.</p> <ul style="list-style-type: none"> • AVA can be used for payments, receiving and redeeming loyalty rewards, refunds and as a store of value, among several other use cases. 	<ul style="list-style-type: none"> • 6,377 Smart members as of February 1, 2023 • The number of monthly active users (MAU) in January exceeded 95,000 • 78% of all bookings in January were paid with cryptocurrencies, with USDT, Binance Pay and BUSD being the top payment options 	<p>are validated via the blockchain without the need for intermediaries acting as gatekeepers.</p>
<p>TravelX</p> <p>Founded: 2021</p> <p>Focus: Entire travel industry, starting with airlines</p>	<p>Using Web3 technologies such as blockchain and smart contracts to create a more efficient, transparent and collaborative travel industry.</p> <ul style="list-style-type: none"> • TravelX is proposing to digitize flight tickets and convert them into NFTickets, allowing for easy transferring and reselling of tickets. • The use of smart contracts establishes clear rules and conditions for the tickets, enabling transparency, security and automation for processes like refunds and cancellation, creating a secondary market for the travel industry, opening up new revenue streams and offering more flexible ticket options. 	<p>By using NFTickets, TravelX is enabling easy transferring and reselling of flight tickets.</p> <ul style="list-style-type: none"> • This can create new revenue streams for airlines and increase flexibility for passengers. • The capability can help drive loyalty and retention among customers. <p>By automating settlement processes and eliminating the need for time-consuming interactions with airlines, customer service costs can be reduced, creating a smoother experience for passengers and the collaborative travel ecosystem.</p>	<ul style="list-style-type: none"> • TravelX secured a \$11 million seed round at \$51 million valuation in 2021 and another \$5 million round at \$100 million post-money valuation. • The first NFT ticket minted in April 2022 in partnership with Air Europa and Algorand. It sold in a public auction for \$1 million. 	<p>TravelX is:</p> <ul style="list-style-type: none"> • Enabling experiences in Miami's first NFT marketplace. • The first airline full tokenization completed in February 2023, integrated into the airline's direct channel. • Minting millions of NFTickets a year. • Integrated wallet in airline website. • A member of International Air Travel Association and part of its Digital Think Tank. • Implementing with more than 10 airlines in pipeline. • Integrating with Kiu and other Global PSSs.

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<p>WYTLAND</p> <p>Founded: 2022</p> <p>Focus: Social travel commerce</p>	<p>WYTLAND is building the next-generation social travel ecosystem on Web3.</p> <ul style="list-style-type: none"> Driving a more sustainable internet in which the large, centralized platforms are replaced by products that embrace a more immersive, human-first and a discovery-centric approach 	<p>WYTLAND is revolutionizing travel distribution by enabling social commerce and eliminating the control and cost of travel intermediaries.</p>	<p>WYTLAND is entering the product market fit development stage.</p> <ul style="list-style-type: none"> The company is actively onboarding travel creators and brands. WYTLAND is working on decentralized data management and an infrastructure layer to ensure data, content and IP is safe as the creators own their online shop. 	<p>WYTLAND is looking to use NFTs and social tokens as part of the monetization plan in its product roadmap.</p>
<p>Xeni</p> <p>Founded: 2020</p> <p>Focus: Payments</p>	<p>Xeni is a simple, scalable, and easy-to-use decentralized application that settles and validates transactions in the online travel industry.</p> <p>Payments are received in fiat, settled instantly in accordance with smart contracts, and then paid out in fiat. The dApp sits within the Xeniapp ecosystem (an online B2B booking engine offering a full suite of travel inventory).</p>	<p>Xeni connects travelers, travel agents and inventory suppliers, allowing instant settlement at a vastly reduced cost while virtually eliminating fraud.</p>	<p>Xeni was made available to a selected group of suppliers and travel agents in February 2023.</p> <p>Total transactions recorded on Xeni during the first month of launch:</p> <ul style="list-style-type: none"> Twenty-eight thousand wallet holders using Xeni and have done over \$50,000 worth of transactions on Xeni. The cost of settling multiple counterparties on the chain is under a few cents and did not involve Virtual Credit Cards (VCCs), manual reconciliation or a traditional payment network. 	<p>By the end of 2023, Xeni expects to settle more than \$25 million on Hashgraph. The number depends on the actual booking volume on their white-label platform.</p> <p>Xeni standalone solution has attracted Interested parties that currently do a few billion in bookings and settlements. The goal is to bring this booking volume to Xeni's blockchain payment and settlement solution.</p>

Conclusion

Web3 is still in its infancy, but the momentum is only accelerating on development. Looming challenges for Web3 companies include the pace of consumer adoption for technologies like SSI, NFTs and the metaverse, and the willingness of industry players to embrace concepts such as distributed ledgers, secondary markets and smart contracts. Based on the updates discussed above, these challenges are finally beginning to be addressed and it's only a matter of time until adoption reaches critical mass.

Notably, major tech companies and organizations such as Microsoft, IBM, Accenture, the World Economic Forum and the Decentralized Identity Foundation's Hospitality & Travel Special Interest Group are [laying the foundation](#) for interoperability between decentralized identity (SSI) and decentralized applications. This represents a major step necessary to bring the full Web3 vision to life. Forward-looking travel companies will be planning for this phase when it arrives.

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