

# Trip

**New Token Mechanism**

**Business Model Pioneer**

**(Blockchain-based Trip Platform)**

White Paper

Version 1.0

[trip.org](http://trip.org)

# Tourism Overview

A series of related industries that provide services for tourists are collectively known as tourism, namely, a tourist-oriented comprehensive industry that facilitates tourist activities and provides related services and products. Tourist activities include food & beverage, accommodation, transport, sightseeing, shopping, and entertainment, and the related services consist of catering, hotel, transportation, attractions and recreation.

As a strategic, leading and comprehensive industry, tourism has enjoyed steadily rapid growth in the world economy. With the further development of economic globalization and global economic integration, the world tourism industry has entered a golden era of rapid development.

## Tourism Market Size

### 1. The Total Number of Global Tourist Arrivals

In 2015, the total global tourist arrivals (including the domestic and international tourist arrivals, and the same below) exceeded 10 billion for the first time, reaching 10.45 billion, 1.4 times of the global population; in 2016 and 2017, the total was 11.12 billion and 11.88 billion, 1.5 times and 1.6 times of the global population respectively.

The total global tourist arrivals in 2018 is estimated to reach 12.67 billion, 1.7 times of the global population (see Table 1.1).

**Table 1.1 Global Tourism Economy: Total Tourist Arrivals (2015–2018)**

	2015	Estimate		Forecast
		2016	2017E	2018F
Total Global Tourist Arrivals (billion)	10.45	11.12	11.88	12.67
Ratio of Global Tourist Arrivals to Global Population	1.4	1.5	1.6	1.7

## 2. Global Tourism Revenue

In 2015, the total global tourism revenue reached US\$ 4.9 trillion (including the domestic and international tourism revenue, and the same below), equivalent to 6.6% of the global GDP; in 2016 and 2017, the total was US\$ 5 trillion and US\$ 5.3 trillion, equivalent to 6.7% and 6.7% of the global GDP respectively.

The total global tourism revenue in 2018 is estimated to reach US\$ 5.6 trillion, equivalent to 6.8% of the global GDP (see Table 1.2).

**Table 1.2 Global Tourism Economy: Total Tourism Revenue (2015–2018)**

	2015	Estimate		Forecast
		2016	2017E	2018F
Total global tourism revenue (trillion)	4.9	5.0	5.3	5.6
Percentage of total global tourism revenue to global GDP (%)	6.6	6.7	6.7	6.8

## 3. Global Tourism Economy Growth

Both the total global tourist arrivals and total global tourism revenue in 2017 increased faster than those in 2016. The total tourist arrivals increased by 6.8%, 0.4 percentage points higher than that of 2016. The growth rate of the total tourism revenue was 4.3%, 1.7 percentage points higher than that of 2016.

The growth rate of global tourist arrivals in 2018 is estimated to slow down, and compared with 2017, it will decrease by 0.1 percentage points to 6.7%; the growth

rate of global tourism revenue in 2018 is estimated to be higher than 2017, and will increase by 1.6 percentage points to 5.9%. It means that the global per capita tourism consumption is growing (see Table 1.3).

**Table 1.3 Global Tourism Economy: Growth Rate (2015–2018)**

	2015	Estimate		Forecast
		2016	2017E	2018F
Growth rate of global tourist arrivals (%)	6.2	6.4	6.8	6.7
Growth rate of total global tourism revenue (%)	-4.2	2.6	4.3	5.9

There is no doubt that the tourism market is now quite large and will continue to grow in the future. However, it is obvious that the current status of this industry is derailing the rapidly developing tourism market. A trip service platform with new mechanism that caters to the interests of consumers needs to be created.

## **Tourism Market Crisis**

The tourism industry has been monopolized by a few enterprises. These magnates have built a highly centralized market through market manipulation and exchange of interests. They seek exorbitant profits, resulting in double marginalization, and sometimes just reap the profits, leading to supply-side inflation, and ultimately pass the consequences on to consumers.

Taking the US tourism market as an example. Several Online trip Agencies (OTAs) giants dominate 95% of the US online trip market. The three largest global distribution systems account for 99% of the indirect inventory market share of the aviation market. The monopolized tourism has helped to break the record of their turnover after record, and the tourism market turns out to be these giants' cash cow.

That tourism market is unilaterally controlled by some traditional magnates severely

undermines the rights of consumers. Under the influence of this unhealthy business model, the following issues have become the main contradictions in tripping:

## **1. Agencies Taking High Commission**

Due to tourism being highly centralized, the pricing power is always held by agencies. This centralized business model leaves consumers and suppliers to bear additional fees in each transaction, while price competition among suppliers is unreasonably undermined. Some OTA giants take a 40% or more commission on a deal concerning information giving and order matching.

## **2. Agencies Unfairly Operating**

As agencies, trip platforms are responsible for helping service providers to display their products, match orders and carry out after-sales evaluation. However, the centralized nature and lack of supervision make it easier for these platforms to drop principles and fairness for chasing revenue, and then to opt for operations that may not pass muster. When perceptions of unfairness occur, it's hard for them to give an objective quality evaluation, and the whole process will end up with the situation where the trip service providers with the highest bid price become the top protected beneficiary and get the best display and traffic. In this way, the higher the bidding price is, the greater the display chance is. The investment that should have been used to improve services is all paid for obtaining traffic. At the same time, the bidding threshold is correspondingly increasing, and thus a vicious circle is forming. Finally, consumers can never receive the services that deserve what they have spent.

Consequently, large and powerful service providers and platforms would monopolize this industry by abundant funds and economies of scale, and small providers with better service quality, however, will find it difficult to obtain sufficient market share, and eventually be eliminated.

### **3. Consumers Struggling with Handling Default**

The tourism market is thriving, where consumers of different countries and ages and various service providers are all involved, so a very small number of defaulters are inevitable. For service providers and consumers, the default costs are relatively low, but the arbitration result is subject to many factors that contribute to the difficulty in implementing the ruling. If all the efforts are in vain, then a third party platform will be needed to deal with the issue. Such problem can hardly be effectively solved in the existing tourism market.

### **4. Only Few Enjoying the Benefits**

The centralized nature of traditional trip platform determines a fact that all the revenue is almost occupied by the agency, which is the platform itself. Platform growth is credited not only to its owner, but to all users including consumers, service providers and tourism experts, all of whom are participants and contributors in the ecosystem development. The revenue of platform growth is attributed to undifferentiated labor of every user. In fact, however, it eventually flows to the minority group—the platform owners.

It is precisely because of the above four reasons that online tourism has been in deep crisis. It is increasingly difficult for traditional trip platforms to adapt to the current rapidly developing tourism, and as a result, both consumers and providers, as well as other users are hoping for an inclusive solution to these problems.

## **Blockchain Application in Tourism**

The application of blockchain technology to tourism will drive a lot of business

innovation.

### **1. Blockchain facilitating every part of payment in tourism industry chain**

As for tourism payment, blockchain can be used to fix payment problems in every part of tourism industry chain. Every booking record is accompanied by collecting lots of data to ensure timely payment to all parties.

### **2. Blockchain bringing a new identity recognition model**

A brand-new identity model will be introduced. Many airlines have kept an eye on blockchain-based digital identity management. Compared to traditional identification methods (such as passport), combining biometrics with blockchain is a solution for helping secure digital identities.

### **3. Blockchain providing accurate data for booking and marketing**

Blockchain data records can provide accurate data for trip booking and marketing. Blockchain application in hotel and airline loyalty programs will promote simplifying the process of accruing loyalty points, and of converting and redeeming them with all partners. Besides, customer data across the industry it monitors can be used to conduct macro-market analysis and micro-consumer behavior analysis.

## **Trip, A Brand-new trip Platform with Token Mechanism**

Trip is a trip platform equipped with new business model—highly forward-looking Token mechanism, which is very likely to become a brand-new model for business operation in the future.

Trip has in-depth cooperation with many trip Apps. Both downloading and using these Apps will be rewarded with Token, such as booking hotels, attractions tickets, food and etc. Token can be used for payment within Apps, as well as traded in the market. Moreover, as profit-making organizations, these Apps will repurchase Token in the market with revenue each year, and given this, holding Token means indirectly holding the interests of these Apps so users will also share profits.

Trip, an Ethereum-based platform, demonstrates the perfect blend of blockchain technology and mass tourism market. It connects buyers (consumers) and sellers (service provider companies or individuals) with smart contracts. In Trip, service providers and consumers can conduct transactions directly with Token, eliminating the need for a centralized platform to match orders, which gives a solution to the problem of double-cost. In this way, Trip largely reduces manpower and system costs, thereby increasing revenue. The gains will be used to repurchase Token, which maximizes the interests of participants in Trip, and in turn a healthy development of the platform will be spontaneously stimulated.

Under this brand-new business model combining Token mechanism with blockchain technology, the situation that several online trip agencies monopolize the industry will be fundamentally changed. Every participant of this blockchain-based platform will benefit from its growth.

### **Fair and Transparent**

In Trip, every transaction is created through smart contracts, and every contract is synchronized via all nodes to eliminate junk transactions. Meanwhile, cheating behaviors such as click farming will be effectively avoided by special mechanisms from the very beginning, so cheaters need to think twice before doing so, for expensive cheating costs is waiting for them. Since Trip is a blockchain-based platform, all trading, commenting, rating and rating data can neither be tampered with, nor be destroyed, and can be traced, wiping out all the possibilities of man-made

tampering. All participants in this ecosystem should bear responsibility for their actions. Compared to centralized platforms, in the ecosystem of Trip, all service providers should focus on improving service quality to ensure that consumers get revenue.

### **Self-driven Development**

In the Trip world, any participant can receive Token rewards. The deeper the users participate in Trip, the more they contribute, the more Token rewards they get . At the same time, the platform repurchases Token with revenue, which in turn effectively guarantee the collaborative development of Token and platform revenue. User and platform together build a strong community of common interests, and the two interact with each other to promote the healthy development of the entire platform.

In this way, every user is the rights holder of this decentralized trip platform, forming a self-driven sharing trip ecosystem.

## **Trip's Blockchain Technology Background**

Because the intermediary services can be removed from the economic system by blockchain encryption, some basic data such as asset information, identity information, and reputation information will become independent and persistent. Instead of controlling data, the check and balance will be realized through smart contracts. Built on the public network, Trip no longer needs a central body to maintain data.

Blockchain creates a self-driven and sustainable digital economy. Trip's agreements include: identity and reputation information systems, anti-counterfeiting points systems, and mechanisms to ensure liquidity and scalability. The use of these components relies on the implementation of a public blockchain solution.

The database provides a high-level coherent and persistent data through a blockchain structure with consensus algorithms and incentives. Although this blockchain technology provides complete code, it lacks auditability and persistence in a server-based infrastructure. Therefore, intermediary services should be removed from the blockchain, namely deleting the Bitcoin payment processing system, in order to reduce transaction costs and take centralized control of the relevant carriers.

Tag: cryptographic token can be viewed as persistent and auditable data entry. Token is programmable and therefore can mimic and serve as different types of value transfer tools and assets. Token can represent access to service or information and reward system. The value proposition of token is not limited to traditional financial instruments. Most importantly, regardless of its specific function, token equally rewards online participants.

Smart Contract: the smart contract password verification code executes command to verify password data (such as token balance). Once code integrity is enabled, it will run completely in terms of the program set in the contract. When the cryptographic token removes the intermediary from the payment process, the smart contract will also remove it from the business process and protocol. A simple example is automatic resource management—the conditions agreed by all parties will trigger some kind of behavior, which is releasing managed resources. When predefined conditions are met, the predefined instructions will be executed automatically, which is completely programmatic.

Decentralized applications (DApps): applications, drivers, and smart contracts are deployed to the network, and the servers run in complete accordance with pre-designed programs. Scattered applications are sometimes referred to as “ecosystem applications”.

In short, this smart contract with a complex system is an autonomous entity. The system is not centrally controlled, and instead is motivated and counter-incentived by

participants, including individuals, groups, institutions, sources of certification data, and other units. Similar to Bitcoin system, this network is maintained by miners who receive Bitcoin rewards, and the value of Bitcoin comes essentially from the network access it represents—the network maintained by miners. Together, all of the above-mentioned components and tools lift the business process automation to a new level. If service agreements can occur without the need to trust the third party, lots of overheads and attack vectors associated with the third party can be reduced or removed.

## **Trip APP, Carrier of Trip Ecosystem**

Token mechanism of Trip platform will be closely integrated with the Internet. Trip APP is the carrier of the entire ecosystem, which provides everyone with an entrance to Trip. Trip platform is equipped with a blockchain-based matching system and a Token reward system. In Trip APP, users enjoy all the features of traditional online trip platform including booking hotels, air tickets, attraction tickets, etc., and meanwhile they will receive Token rewards for each use.

At present, the construction of the main program of Trip APP has completed. The full version will be formally launched after optimizing and testing. The detailed manual of the APP will be announced at that time, so stay tuned!

## **TRIP Token, Energy of Trip Ecosystem**

The Token used in Trip platform is called TRIP. Tourism asks for higher requirements of information processing capability of smart contracts. Therefore, we have extended

TRIP so that it can handle more data while complying with the ERC20 standard.

Trip will initially release a certain percentage of TRIPs to public incentive pool. With the system operating, there will always be a certain amount of TRIPs in this pool to issue incentives.

## **Incentive Details**

### **1. Behavior Rewards**

- **Downloading APP:** TRIP rewards for the first-time downloading are available to all users of the platform such as trippers, service providers, and content providers.
- **Booking Services:** TRIP rewards for each transaction, such as booking hotels, attraction tickets, transportation, food, etc.
- **Content Services:** Groups that help to construct content, such as trip experts, food lovers, photographers, etc., can obtain TRIP rewards, and rating products will also be rewarded with TRIP.
- **Inviting Friends:** Inviting your friends and family to register Trip will be rewarded with TRIP.
- **Other Behaviors:** Other favorable behaviors for the platform.

### **2. Holding TRIP Equity**

Any TRIP account can consume in Trip with TRIP, and trade it in the market. Trip platform will regularly repurchase TRIP with revenue, so users holding TRIP can share the benefits of platform growth. For those holding TRIP, they can get more services in certain scenarios on the platform.

# **The Total Volume of TRIP Issued**

TRIP Token is an extremely important part of this trip service ecosystem constructed by Trip. For this reason, we are extremely cautious about the distribution of TRIP and finally determine to issue 100 million tokens.

## **Trip's Core Team**

Trip's core team, having worked for leading companies in tourism industry, has ten years of experience in software architecture and programming, and has successfully completed a number of tourism projects. It has a profound understanding of the tourism industry. Many team members are blockchain elites from world-renowned companies, and senior professors from world-class universities are invited here as contributing consultants to guide blockchain technology application in tourism industry.

## **Risk Disclosure & Disclaimer Statement**

This article only serves as conveying information of Trip project. It does not represent any form or meaning of the contract and commitment, and nothing contained in this article should be construed as a recommendation to invest. There is a great deal of uncertainty about the project itself, and we cannot guarantee that the Trip project will be successful. We will do our best, but we still have to bear the risk of failure. The blockchain technology must be revolutionary in the future, and projects derived from the blockchain will create a great amount of buzz. I hope everyone can rationally

participate in the Trip project after understanding the risks.