

# Using tech to enable the future of travel in a post-Covid-19 world

BY VANESSA GOMES

**THE** country's travel industry came to a standstill overnight on March 18 last year when the government imposed the first Movement Control Order (MCO). At that time, companies in this sector were optimistic that they could resume business in a few weeks or, at most, a few months.

But more than a year on, big chain hotels have been making headlines as they put up the shutters, while businesses at tourism hotspots are on their last legs, trying their best to survive the pandemic.

Malaysians are getting restless, waiting for the day that country, state and district borders reopen. In the meantime, travellers

have learnt to adapt and developed new habits to temporarily quench their travel thirst with staycations or "workstation holidays".

Chris Lehane, senior vice-president of global policy and communications at Airbnb, tells *Digital Edge* that these "live anywhere" travelling concepts gained momentum because travel, work and living began to blend together.

"The 'workstation holiday' or 'remote work from home' is seen globally but it is reflected in Asia in particular. In Malaysia, about 40% of people are working from home but they started thinking about how they could combine their vacation time with work. What we saw on our platform is people staying longer at vacation destinations," he explains.

"When people are searching for staycation places, connectivity becomes really

important as well as having space for the family. We've also seen a surge in the number of people searching for pet-friendly homes because they are going away for longer periods. Pet-friendly searches are up 90% on Airbnb around the world."

Host Platform Sdn Bhd CEO and co-founder Jayden Lee says the least bookings were seen during the various MCOs. As soon as the restrictions eased, however, bookings shot up drastically. "This shows that people are very eager to travel," he explains.

"So now we are expecting the same boom to happen the moment interstate travel is allowed and it will happen a lot faster than what we saw in November and December last year."

## THE EVOLUTION OF TRAVEL TECH

Despite the pain the tourism sector is

enduring at the moment, some believe that it has acted as a wake-up call for tourism players globally, forcing them to get creative while embracing digital technology.

The sharp fall in revenues posed a great dilemma: Should they invest in technology or preserve cash for survival?

At the Travel Reimagined: An APEC and Airbnb Tourism Forum 2020, Darzy Norhalim, director of the digital inclusion division at Malaysia Digital Economy Corporation (MDEC), told *Digital Edge* that, at the bare minimum, operators in the tourism sector invested in using contact tracing apps and contactless temperature scanners to comply with the authorities' requirements.

Beyond that, Malaysia has seen some local players, albeit a small number, undertaking more complex and advanced digital technologies such as using virtual reality

(VR) to promote their products.

In August last year, Lokalocal launched 143 ultimate virtual tours featuring some beautiful destinations in Malaysia — towns, colourful cultural attractions and hidden gems — for travellers around the world to experience and explore from the comfort of home. These also act as guides for travellers to plan their next holiday.

The post-pandemic world will see travellers become more dependent on digital channels. Therefore, it is crucial for tourism players to embrace digital technology to accommodate these travellers or risk being unseen, says Darzy.

"From our research of tourism players in Malaysia, only the hotels and airlines have reached a high level of digital maturity. The rest are still at a low or medium level of digital maturity, such as players in ecotourism and rural tourism."

## Tech companies that are preparing for the travel boom



### 1: AIRBNB

In early April last year, Airbnb noticed that global users were searching for travel destinations that were about an hour or two away from where they lived. In response, the company quickly developed a tool called "Go Near" that allowed users to look for destinations within that two-hour travel radius.

"These places also align with different amenities. For example, if you're looking for a house with a pool near a mountain with four bedrooms and a kitchen, you can quickly find other options to compare and contrast it [to] within that geographic radius. This was to make it as easy as possible for people to do their searches," Chris Lehane, senior vice-president of global policy and communications at Airbnb, says.

The company also launched Airbnb City Portal, which allows national and state governments to tap and integrate with Airbnb's platform to help support economic development and recovery needs for the travel and tourism sector. Governments will have access to Airbnb data insights into the short-term rental market and compliance tools to manage these properties.

Lehane says Airbnb is known as a domestic marketing organisation, where it works with local-based tourism organisations through a government or public-private partnership. Airbnb works with them to promote specific travel and tourism to different domestic locations — from rural and mountain-side locations to coastal-based ones — as travel has now shifted from urban to rural.

### 2: HOSTPLATFORM

HostPlatform is an integrated platform that consolidates a property's short-term rental listing on various platforms into one. The platform operates like an order management system, where short-term rental property owners will be able to list their properties on many booking sites, such as Booking.com, Expedia and Airbnb, as well as view and manage all their listing bookings on one platform.

Host Platform Sdn Bhd CEO and co-founder Jayden Lee says the purpose of the platform is to provide better exposure and connectivity to short-term rental property owners as it synchronises and integrates all of a property's pricing and booking calendars into one system.

To prepare for the travel boom, Lee says it is training property hosts to increase the standards and quality of their property. The company set up the HostPlatform Academy to teach hosts how to use the various booking platforms, optimise listings, maximise their revenue and

prepare themselves for when domestic and international travel restarts.

"When we teach them how to optimise their listing, they have the chance to target the right people. This then increases the chances of their property getting more bookings, even in the post-Covid world," he says.

"For example, when a listed property on Airbnb has not received bookings for a while, the property will eventually die off. So we teach them that there are times when the listing has to be paused, and when the time is right, they can put it back up again to get fresh bookings.

"We help them create better exposure with the right apps and better optimisation to ease their job later on when hundreds of bookings are received through various platforms. And at that time, the bookings will less likely clash because everything will be synchronised in one calendar on HostPlatform."

The next hurdle, Lee says, is to tackle the unhealthy price war that is happening among homestays, short-term rentals and hotels. The pandemic saw five-star hotels drop their room rates significantly, and while this allowed people to experience five-star accommodation at a cheaper rate, it also affected the business of

homestays and short-term rentals.

"There were cases where cheaper homestays were used for illegal activities because these people wanted a place that they could use, discard and not worry about cleaning up. This will also drop the rating of certain hotels and apartment buildings because they may be deemed unsafe, which would drive away future bookings," Lee explains.



### 4: TOURPLUS

Tourplus Technology Sdn Bhd is an online marketplace for travellers to discover new travel destinations and plan their itinerary. The company provides certified driver guides and customisable itineraries that are reviewed by other travellers around the world.

Rickson Goh, founder and CEO of Tourplus, says the site was created after he realised there was an overload of information on websites for travellers, making it difficult for them to make decisions. These sites also typically leave out hidden gems in an area.

The site was originally built to be an itinerary builder for travellers based on the places they would like to visit, but he says there was no way to monetise that feature. And so the site was converted into a travelling social media site, where people can upload photos and content about specific places.

"Another issue was that travel content constantly evolves, such as travel points and attractions," he says.

"Let's say, you go to Melaka and find a place that's really interesting or has really good food. You take a geotagged photo and upload it on our site. After that, we can push this to people who are nearby that might be interested in it too."

Merchants can onboard themselves to Tourplus, where they will get to put up a list of their products and services. Listing on the site is free but Tourplus also offers a premium plan for merchants who want to push their products and services, such as promotional packages, to users.

Goh says initially, the objective was to focus on being profitable and it had a revenue plan in place. But now, the company has taken a step back and is trying to help other businesses

one of the biggest challenges TixCarte faced was getting players to adopt new practices and technologies.

"It is imperative to convince industry players of the importance of adopting new marketing and ticketing distribution channels to reach out to the new market. The market is changing, with travellers becoming more independent, preferring flexibility and requiring information to be completely transparent."

Parthiven adds that to bring back the confidence of weekend travellers, information has to be disseminated in almost real time, especially in regard to crowd control and standard operating procedures.

"This is where tech plays a pivotal role in the recovery process. Travellers should be given the flexibility of booking their slots in advance via real-time apps, entering in their required details and viewing the potential capacity in the venue while ensuring flexibility in last-minute slot changes or cancellation. These are some of the features that TixCarte offers through its ticketing distribution model."



thrive in the pandemic.

"We are trying to come up with marketing packages for small and medium businesses (SMEs). When they onboard with us, they pay a commitment fee of RM300. Then we will help them apply for the SME digitalisation grant to reduce their marketing costs," says Goh.

"So, for example, if they want to shoot a video or do a product shoot, we can bring in our team of professionals to help out. But we cannot do it for free. So we have come up with a package to help them get the grant, and then, we will do the shoot for them. That is how we want to monetise it."

In April, Tourplus signed a memorandum of understanding (MoU) with a leading China youth travel service, ChongQing China Youth Travel Services Co Ltd (CYTS), to prepare for the post-Covid inbound tourism.

The company also partnered with Ctrip to deliver hotel and ticketing services to Tourplus app customers. This partnership allows Tourplus to access 100,000 hotels and ticketing inventories worldwide, starting with Malaysia.

Starting on June 7, customers can book stays at all Malaysian hotels instantly via the Tourplus app, which will offer prices that can compete with those on leading booking platforms such as Agoda and Booking.com. Attraction ticketing services are slated to be launched in the third quarter.

Tixcarte Group Sdn Bhd partnered with Amsterdam-based ticketing platform Tiqets for the provision of inventory for attractions via the former's API integration solution. The cloud-based technology platform offers a distribution system that connects travel platform partners directly to a host of attractions and inventory.

Using Tixcarte's tech tools and APIs, attractions and activities would be able to increase sales by automatically accessing various reseller and distribution channels rather than depending only on their conventional travel agents.

Tiqets raised US\$60 million in Series C financing, which was led by Airbnb. To date, it has more than one million app downloads with more than 10 million tickets sold for more than 2,000 venues. ■



## AmBank Group

# EVOLUTION OF THE TRAVEL INDUSTRY POST-COVID-19 PANDEMIC

**M**alaysia welcomed 26.1 million foreign tourists in 2019, who contributed RM86.14 billion in tourist receipts to the economy. The initial forecast for foreign tourist arrivals in 2020 was about 30 million, with tourist receipts projected to expand to RM100 billion. However, the travel industry took a strong hit from the restrictions imposed to contain the spread of Covid-19.

Only 4.3 million tourists were recorded as at November 2020, a marked decrease of 78.6% from 2019. As a result, tourist receipts amounted to only RM12.6 billion. More than 100 establishments in the hotel industry and 95 tour agencies were forced to close their doors due to the challenging market conditions.

The continued decline in tourist arrivals was mainly due to the closure of Malaysia's borders as a part of the government's proactive decision to curb the spread of the virus. Negative growth was observed in every regional market, from short-haul to long-haul ones.

Various stimulus measures have been unveiled by the government to support the travel industry. Beyond this, it is vital to set up a "Tourism Bank" under the Tourism Board with the aim of helping tourism workers suffering from the impact of the pandemic.

Apart from leveraging the Tourism Bank to develop a tourism employment database to help monitor the number of tourism workers and to estimate the impact of the crisis, the Tourism Board must seek ways to prevent more job losses in the industry. Coupled with continuous information gathering, research and data analysis, there will be greater clarity and perhaps even for banks to play a greater role in supporting the travel industry.

The outlook for the tourism industry remains uncertain. Its future will depend on the interlinked consequences of the economic and health crisis as well as demand and supply side factors.

As one of the drivers of the domestic economy, tourism creates jobs, increases the demand for exports and generates prosperity across the nation. The future of the travel industry depends heavily on the pace of our vaccination programme to reach herd immunity and how fast we are able to lift the ban on interstate travel to encourage domestic tourism. A more meaningful recovery trajectory can be observed when Malaysia is able to initiate a travel bubble.

Moving forward, the travel industry will need to adjust to the post-pandemic new normal, chiefly to address hygiene and safety issues and ultimately to enhance consumer and business confidence. Banks can play an important role in helping companies adapt to the changes in doing business.

This sentiment is echoed by Ding Mei Looi, Group CEO of Marina Island Pangkor and a participant of AmBank's BizRACE 3 programme. "We are grateful to AmBank for providing a platform for entrepreneurs to meet up and discuss our experiences and what we can do better. Joining AmBank BizRACE has provided us with much needed guidance and support in terms of how to innovate and take our business to the next level," she says.

It is too early to say what the long-term implications of the Covid-19 pandemic will be for the travel industry, but a return to business as usual is highly unlikely. The longer the pandemic persists, more businesses and jobs will be lost. The implications will be greater for traveller behaviour as it becomes tougher to rebuild the tourism economy.

This presents challenges for the travel industry but also opportunities to encourage innovation, drive new business models, explore new markets, open up new destinations and move to more sustainable and resilient tourism development models.

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