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B.Com Honours

Semester III

Calicut University

DIGITAL TRANSFORMATION IN TOURISM

Course Code: COM3VN202 • Module 3 Notes

Module III: Digital Economy & Online Platforms in Tourism

Analyzes online distribution channels, platform business models, website booking engine optimization, e-payment gateways, and sharing economy disruption in global travel.

Unit 11: Concept & Main Elements of Digital Economy in Tourism

An interconnected digital ecosystem where economic value is generated through data transactions, multi-sided platform matching, and digital disintermediation of traditional travel agencies.

Unit 12: Digital Platforms & Online Travel Agencies (OTAs)

Online Travel Agencies (OTAs - MakeMyTrip, Booking.com, Expedia): Aggregating inventory across airlines and hotels, charging 15% - 25% booking commission.
Metasearch Engines (Google Hotels, Trivago): Comparing prices across multiple OTAs without processing direct bookings.

Unit 13: Essential Features of a Tourism Business Website

Responsive mobile design, high-speed direct booking engine (IBE), real-time room availability calendar, SSL security encryption, integrated payment gateway, and Search Engine Optimization (SEO).

Unit 14: Online Payment Ecosystem, Sharing Economy, & Blockchain

1. Digital Payments: UPI (Unified Payments Interface), Mobile Wallets, Credit/Debit Cards, and Payment Gateways (Razorpay, Stripe).
2. Sharing Economy Platforms: Peer-to-peer accommodation and experience sharing platforms (Airbnb, Vrbo).
3. Blockchain & Crypto: Smart contracts for automated flight delay compensation and decentralized baggage tracking.

Practical Problem 1 (OTA Commission vs Direct Booking Revenue Math): A resort hotel sells 50 room-nights at Rs. 6,000 per room-night.
Channel A (OTA Booking): 30 rooms sold via OTA charging a 20% commission fee + 18% GST on commission.
Channel B (Direct Website Booking Engine): 20 rooms sold via Hotel Website with a Payment Gateway fee of 2% + 18% GST on payment gateway charges. Calculate (a) Gross Revenue for Channel A & B, (b) Total Commission & Gateway fees deducted, and (c) Net Revenue Realized by the Hotel.

Step-by-Step Solved Channel Revenue Computation:

- **1. Channel A (OTA Booking - 30 Rooms):**
  Gross OTA Revenue = (30 ext{ rooms} imes 6,000 = mathbf{ ext{Rs. 1,80,000}}).

Base OTA Commission (20%) = (1,80,000 imes 20% = ext{Rs. 36,000}).
GST on Commission (18%) = (36,000 imes 18% = ext{Rs. 6,480}). Total OTA Fee = Rs. 42,480.

> **Net OTA Realized Revenue = 1,80,000 - 42,480 = Rs. 1,37,520 (Net Yield: 76.4%)**

- **2. Channel B (Direct Website Booking - 20 Rooms):**
  Gross Direct Revenue = (20 ext{ rooms} imes 6,000 = mathbf{ ext{Rs. 1,20,000}}).
  Base Gateway Fee (2%) = (1,20,000 imes 2% = ext{Rs. 2,400}). GST (18%) = Rs. 432. Total Fee = Rs. 2,832.

  > **Net Direct Realized Revenue = 1,20,000 - 2,832 = Rs. 1,17,168 (Net Yield: 97.6%)**

- **3. Total Combined Net Revenue Realized:**

  > **Total Net Hotel Revenue = 1,37,520 + 1,17,168 = Rs. 2,54,688**