

# Travala

The Next-Gen Online Travel Agency



Business Plan



December 2018

# Travala in Numbers

5 5 0 0 0 0 +

PROPERTIES



2 1 0 +

COUNTRIES

8 0 0 0 0 +

DESTINATIONS



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# 1. Executive Summary

Travala is an already-operational one-stop travel booking platform which combines the best of this generation's booking website functionality with the incredible benefits enabled by next generation's decentralized technologies and tokenized incentive structures.

The Online Travel Agency ("OTA" e.g. Expedia, Booking.com, Ctrip, Tripadvisor etc.) model was revolutionary when it arrived over ten years ago, but in its current form is broken, with an oligopolistic market (9 of the top 10 sites owned by 2 players) featuring high middleman fees and limited product differentiation. This lack of true consumer choice has been well-hidden to-date, through clever multi-site branding and dialled-up discounts given on high mark-ups, but cracks are beginning to appear in the façade. Early disruptive developments in the travel industry, such as that brought by Airbnb, showed that consumers are ready to migrate to platforms which empower smaller suppliers and make more relevant the impact of user reputation and trustworthy reviews.

As a core enabling technology for Travala, Blockchain signifies a third evolutionary leap for human connectivity (firstly voice telephony, secondly data transmission), and is now empowering real value exchange between network participants. In the travel industry, where a central authority was previously required to validate bookings and guarantee payment, it is becoming possible to link buyers and sellers directly to benefit from lower fees, instant payments and trustworthy reviews.

In parallel with the change in our surrounding technologies, consumer demographics and their preferences continue to evolve. Younger generations of consumers are driving the movement towards decentralized technologies, best symbolised by the rise of Bitcoin and other peer-to-peer cryptocurrencies. Most importantly, demographic groups such as that referred to as Gen-Z (born between 1995 and 2010, the eldest now 23 years of age in 2018) are fundamentally different consumers to those classified as Baby Boomer and Generation X. Gen-Z dislike the established order, have not yet formed their brand loyalties, and yet are tech-native and extremely socially-aware. This generation of consumers are expected to travel more than any group before them, but are also forecast to do so in new ways.

Travala, as a Next-gen Online Travel Agency (NOTA), fundamentally changes the relationship between this consumer of the future and their travel shopping. Travala's target market benefits from:

- **A globally-competitive range of travel services;** Accommodation (Hotels, Resorts, Hostels), Flights, Things to do (Tours, Activities, Experiences), Restaurants, Transfers, Car Rentals, Vacation Rentals and Cruises
- **Always available at a minimum average of 15% lower** than current mainstream OTAs; enabled through agile integration of the leading wholesale travel solution partners
- **With both leading cryptocurrencies and traditional (FIAT) currencies** as payment options
- **Boosted with discounts and special offers** direct from brands and suppliers
- **Validated through blockchain-verified reviews** for 100% feedback authenticity
- **Underpinned by a token-powered incentivization economy** which gives real rewards for valuable acts such as user referrals and key-opinion-leader content
- **Innovative UX design and user mechanics** for a best-in-class user experience

This Travala value proposition is powered by the AVA token, the native digital asset of the ecosystem. It enables users to benefit from the largest possible discounts when booking their next trip, is given to contributors who help grow the platform through authentic reviews and other content, rewards those who make successful referrals, and is paid as fuel cost by other platforms when they leverage Travala infrastructure to improve their own offerings. As the Travala consumer base continues to grow, usage of the AVA token is integral to their experience on the platform.

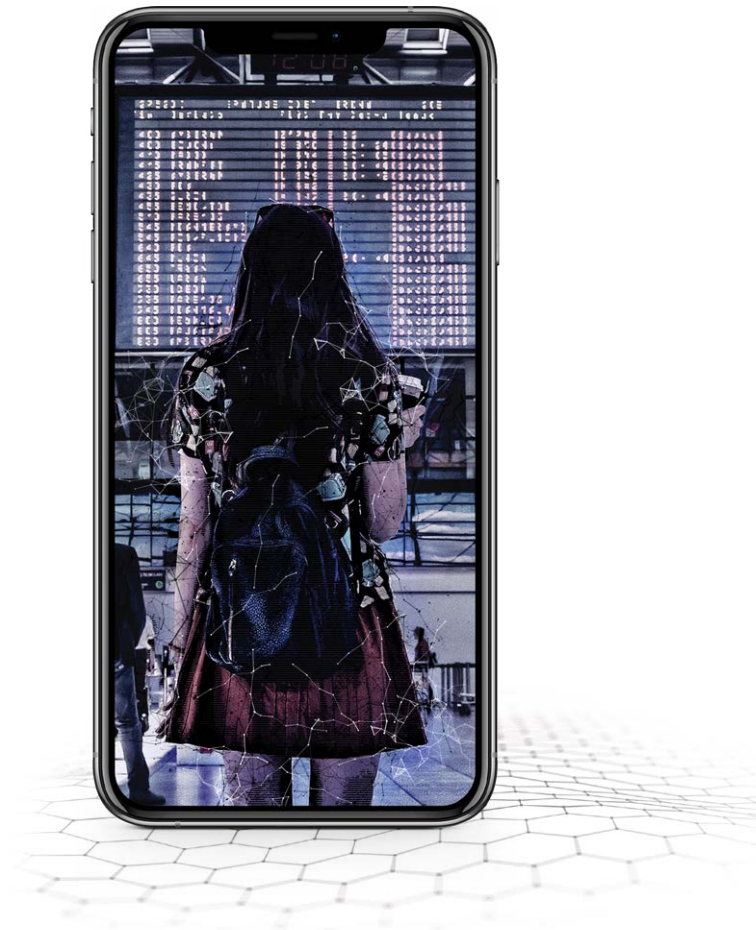
With its use incentivized by real-value rewards, demand for AVA can be expected to grow in-line with platform adoption, leading to the establishment of a healthy internal token economy from which all stakeholders may benefit.



## 2. The Problem

The global travel market is worth more today than at any point in the past, but the breadth of choice and value available to consumers is at an all-time-low. With the rise to dominance of large Online Travel Agencies (OTA's) and their control of consumer access, hotels and other travel service providers are forced to play by OTA rules which impact both their bottom line and the consumer's choice.

Although each consumer has a preferred choice of OTA when seeking travel services, they are really being presented with only the illusion of choice. Despite efforts to seek out real value and genuine choice in the travel booking market, consumers regularly choose only between five market participants:



Owning Entity	"Different" Consumer Options Owned
<b>Booking Holdings</b> – owns Priceline.com, Booking.com, Agoda, Kayak and OpenTable among others.	
<b>Expedia</b> –owns Travelocity, Orbitz, Hotels.com among others.	
<b>Ctrip</b> – owns Skyscanner, Trip.com, Tours4Fun, among others.	
<b>Tripadvisor Inc.</b> – owns TravelPod, Seatguru, Flip key, Viator.com among others.	
<b>Meituan</b> – owns Dianping (China's largest review ecosystem) among others.	

The largest category by value in the travel sector, Hotels are impacted most by the effective OTA oligopoly in place in today's market. They are under continual pressure to maximise RevPAR

(revenue per available room), a pressure which drives them to simultaneously reduce costs (read: lower quality standards for consumers) and increase the margins they pay to OTA's such as Expedia. At present, OTA commission levels paid by hotels range between 15%-35%, and this commission rate continues to trend upwards over time<sup>1</sup>. OTA's also charge hotels a Performance Linked Bonus (PLB) on top of the standard commission in return for higher search rankings and consumer exposure. Naturally, this commercial pressure on hotels and travel service providers is also passed on to consumers, resulting in significant problems for both parties:

<i>Hotels/Service Providers</i>	<i>Consumers</i>	<i>Why Does This Problem Exist?</i>
Don't receive a commensurate proportionate of the booking fee for the service they provide	Pay higher prices than they should	The OTA control extends even beyond their own websites. They force hotels to stick to the mark-up rate of 15-35% even for direct-to-consumer sales on the hotel's own websites, which means that hotels can't offer consumers the rates they truly wish to.
Suffer from reputational impact of inconsistent pricing	Are offered false discounts	OTA's regularly force travel service providers to mark-up pricing to artificially high rates. Consumers are then offered marked-down pricing to give the illusion of savings. The result is that hotel reputations are impacted by what appears to be desperation discounting, and consumers will be hesitant to pay full rack rates in the future.
Lose the right for fair participation in the industry's review systems	Can't trust the majority of reviews	Travel experience reviews are primarily incentivized by negative experiences (most travellers have positive experiences but are not motivated to leave reviews to attest to this). Additionally, OTA ownership extends to many leading review websites and travel blogs, which can lead to review bias. As more than 80% of travellers make decisions based on reviews, the importance of a genuine verification system and adequate economic incentivisation for well-intentioned reviewers cannot be understated.

The OTA model was revolutionary when it arrived over ten years ago, but in its current form is broken, with an oligopolistic market featuring high middleman fees and limited product differentiation. This lack of true consumer choice has been well-hidden to-date, but cracks are beginning to appear in the façade. Disruptors such as Airbnb show that consumers are ready to migrate to platforms which empower more reasonable pricing, allow smaller suppliers to compete more freely and make more relevant the impact of user reputation and trustworthy reviews<sup>2</sup>. With offerings such as Airbnb competing in ancillary markets, is now the time for an equivalent disruption in the OTA market?

1 <https://ro-che.info/articles/2017-09-17-booking-com-manipulation>

2 [https://www.researchgate.net/publication/221357282\\_Use\\_and\\_Impact\\_of\\_Online\\_Travel\\_Reviews](https://www.researchgate.net/publication/221357282_Use_and_Impact_of_Online_Travel_Reviews)



### 3. The Solution

The problems identified are primarily the result of an overbearing middle man – the OTA – playing too intrusive a role in the relationship between the consumer and their travel services provider of choice.

The functionality of the OTA model is not itself broken, simply the parameters to which it is tuned to operate. In an ideal world, hotels and other suppliers would be empowered to connect through an OTA-style platform which would offer a transparent, secure and efficient means of connecting buyers and sellers.

Most important among those three factors is transparency. Greater transparency would allow hotels to price their offering correctly, in-line with the value they provide, no more or no less. It would allow them to receive a larger net share of this price, which in turn would support the maintenance of higher service standards and subsequently higher customer satisfaction. Transparency would also allow this customer satisfaction to be represented truthfully, through a genuine, incentivised review system which gives future customers confidence as they shop.

The operational triplet of transparency, security and efficiency are significantly improved through the application of blockchain technology. The advent of real-world blockchain applications signifies a third evolutionary leap for human connectivity (the first being voice telephony, and the second being peer-to-peer data transmission). This third leap is the ability for real, fungible value exchange between network participants. In the travel industry, where a central authority was previously required to validate bookings and guarantee payment, it is becoming possible to link buyers and sellers directly to benefit from lower fees, instant payments, better security and trustworthy reviews.

Most importantly, the tokenisation of networks allows participants to benefit from a network's growth. It is now possible for new and innovative solutions to also bring mutually-beneficial rewards to all the stakeholders which contribute to its success. For too long, OTA's have acted



most efficiently as centralized profit extractors within the travel industry. The average user or hotel which contributed to OTA growth and extreme profits did not benefit from their rise to success.

Travala is showing that now is the time for the evolution of a next generation of OTA to begin making these changes. These Next-gen Online Travel Agencies (NOTA's) can fundamentally change the relationship between consumers of the future and their travel shopping. Then, the previously-identified key problems for service providers and consumers could be addressed as follows:

Hotels/Service Providers	Consumers	Why Does This Problem Exist?
Receive a commensurate proportion of the booking fee for the service they provide	Pay a fair price for the service they receive	Hotels and consumers have full visibility on the true cost of hotels rooms and other services through an immutable, shared blockchain ledger. The OTA takes a fair price for the service they offer, and all parties are happier.
Can implement rational pricing which is representative of their service and brand	Can evaluate whether or not to buy based on truly fair prices	The transparency enforced by blockchain-driven pricing databases means that consumers are no longer buffeted by false discount advertising and can evaluate more clearly the true cost of each service provider's offering.
Benefit from a more evenly-incentivized review and content contribution system	Can trust 100% of the reviews and content	Linking travel reviews cryptographically to the original purchase, as well as incentivizing with token rewards all users to leave a review (whether negative or positive) will result in a much more evenly-balanced review system for the space. The token-driven incentive model for content (reviews, photos, expert tips etc.) is one which is trustworthy, especially with scale.

## 4. Introducing Travala

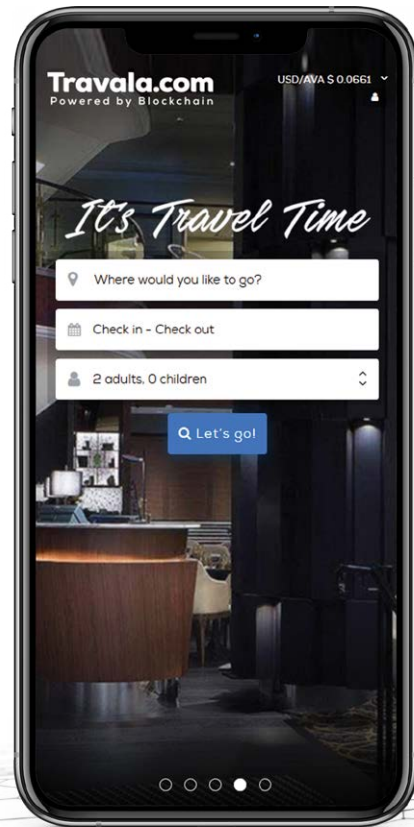
**Travala is the world's first Next-gen Online Travel Agency.**

It is a one-stop travel booking platform which combines the best of this generation's booking website functionality with the incredible benefits enabled by next generation's decentralized technologies and tokenized incentive structures.

With integration of the NEO blockchain (US\$500M market cap and China's largest blockchain) as part of a proprietary technology stack, Travala connects the consumer directly with the largest and best-value wholesale providers in the travel industry. The full suite of offerings is continually expanding and will ultimately encompass hotel, hostel, restaurant, flight, car rentals and vacation rental bookings. These are offered at much lower rates than mainstream OTA's, due to the Travala team's negotiated access to the lowest-possible net price rates with an extensive list of wholesale sellers from around the world. This is a growing partnership base which will ultimately include Amadeus, Priceline, Expedia, Ctrip, HotelBeds, HotelsPro, DOTW, Tourico, Restel, Travco, Jactravel, Sunhotels, Totalstay, HotelUSA, RoomsXML, Didatravel, World2Meet, GTA and many more.

Most significantly, the Travala value proposition is powered by the AVA token. As the native digital asset of the ecosystem it:

- enables users to benefit from an average of 15% discounts (on the mainstream OTA sites) when booking their next trip
- is rewarded to users who leave authentic reviews, contribute rich content, and make successful referrals, *and*
- is paid as fuel cost by other platforms when they leverage the Travala infrastructure to improve their own offerings.



As a NOTA, Travalá uses the AVA token to allow the network's users to collectively benefit from the growth and success of the platform. Usage of the AVA token is integral to the most optimum user experience on the platform as its use is incentivized by subsequent real rewards. As the consumer base continues to grow, demand for AVA can be expected to grow in-line with this platform adoption, leading to the establishment of a healthy internal token economy from which all stakeholders – from early adopters to new arrivals at a later stage – may continually benefit.

Founded by a team of deep travel industry vertical experience and blockchain tech expertise, Travalá's mission is to bring to the travel industry transparent pricing, authentic truth, enhanced security and efficient stakeholder interaction. The target market will benefit from:

- **A globally-competitive range of travel services;** Accommodation (Hotels, Resorts, Hostels), Flights, Things to do (Tours, Activities, Experiences), Restaurants, Transfers, Car Rentals, Vacation Rentals and Cruises
- **Always available at a minimum average of 15% lower** than current mainstream OTAs; enabled through agile integration of the leading wholesale travel solution partners
- **With both leading cryptocurrencies and traditional (FIAT) currencies** as payment options
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- **Underpinned by a token-powered incentivization economy** which gives real rewards for valuable acts such as user referrals and key-opinion-leader content
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## 5. Opportunity Size & Target Market

The OTA market alone will be worth an estimated US\$694bn in 2018 (SOURCE), with a CAGR of 11.1% expected between 2016 and 2022.

Through work with industry specialists Keter Cryptoeconomic Advisory, the Travala team have identified as 4% the size of the Target Addressable Market (TAM) for Travala within this total OTA market. This equates to US\$27.76bn.

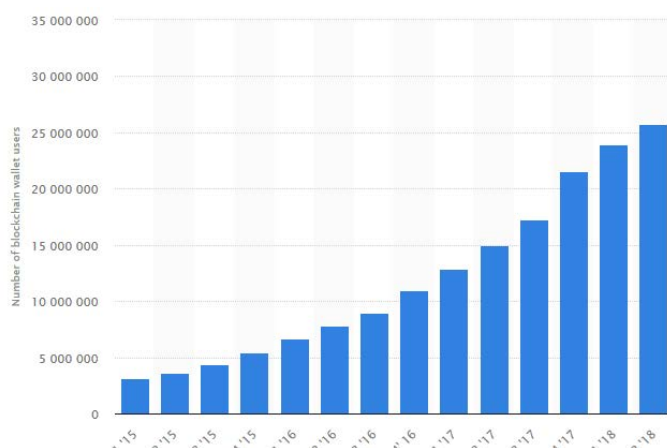
Of this TAM, Travala is aiming to obtain a market share of 3.34% by 2030. To achieve this, Travala will need to achieve the following milestones:

- **2019** – Facilitate 0.03% of OTA Market (US\$11.12m net value of services rendered)
- **2020** – Facilitate 0.07% of OTA Market (US\$28.55m net value of services rendered)
- **2022** – Facilitate 0.22% of OTA Market (US\$145.18m net value of services rendered)
- **2025** – Facilitate 0.98% of OTA Market (US\$1.19bn net value of services rendered)
- **2030** – Facilitate 3.34% of OTA Market (US\$11.6bn net value of services rendered)



### Initial Target Market: Cryptocurrency Holders & Blockchain Enthusiasts

The cryptocurrency and blockchain community is not only a globally-sizeable segment (see to the right an estimate of growth in active blockchain wallets from below 5m in Q1 2015 to above 28m in Q3 2018<sup>3</sup>) but also a high-potential consumer segment based on several desirable characteristics.



3 <https://www.statista.com/statistics/647374/worldwide-blockchain-wallet-users/>

Blockchain and cryptocurrency enthusiasts are:

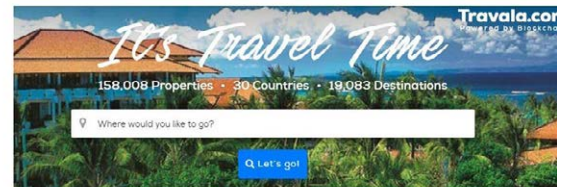
- Highly-invested in the successful adoption of cryptocurrencies in mainstream business activity. This emotional investment in their success regularly *supersedes their desire to follow the path of least resistance* i.e. crypto-users will endure higher barriers to use at this moment in time in order to help propagate the increased use of cryptocurrency (valuable to Travala during the coming 12 months of continued development towards a barrier-less product)
- Derive above-average satisfaction from this use of cryptocurrency for real-world applications. Aside from encouraging repeated-use of cryptocurrency for similar activities, this dialled-up consumer experience satisfaction level serves as a drastically more effective tool to build brand loyalty for Travala (dopamine levels associated with the Travala brand and UX are significantly higher than those for an equivalent mainstream OTA). See to the right an example of this effect visible from an excerpt from a public review by a member of the Travala community.
- A consumer demographic which is perfectly pre-filtered for the travel market and whose make-up helps transcends many of the difficulties in traditional consumer acquisition and marketing outreach. Cryptocurrency holders:
  - Are a born-global consumer demographic (Dalia Research polled across US, UK, Germany, Brazil, Japan, South Korea, China, and India and found that 7% on average own some crypto, with 4% of non-owners planning to buy very soon<sup>4</sup>).
  - Are on average of Millennial age-demographic, which proves to be a more valuable traveller demographic than those older<sup>5</sup>, and are more open to new brands and services, rather than those established as favourites with previous generations.



## Skiing with Travala—Review

By Bill Petridis—relevant at 8/10/2018

Twitter: [@bpetridis](https://twitter.com/bpetridis)



Woke up and did a repeat then drove home. Great two days. Saved on my booking and **FINALLY** got to use a Crypto Currency for something fun. No complaints.

Overall I'm going to give the whole Travala experience two thumbs up

4 <https://www.cryptoninjas.net/2018/05/09/how-many-people-actually-own-cryptocurrency/>

5 <https://www.travelagentcentral.com/running-your-business/stats-millennials-to-travel-35-percent-more-2017-according-to-mmgy>

- Are well-educated, as cryptocurrency ownership is for the time-being still a preserve of tech-savvy and future-interested demographic groups, groups which are proven to be more likely to travel in order to expand their horizons<sup>6</sup>.

As a cryptocurrency-first, FIAT-second platform (expounding the values of cryptocurrency, while still providing FIAT options for those who wish to avail of it), Travala is uniquely-positioned to short-circuit the traditional long consumer acquisition journey and tap directly into a well-educated, relatively young, globally-oriented consumer demographic which is willing to go above-and-beyond a consumer's regular call of duty in order to contribute to the success of blockchain itself. This is also an incredibly-fast growing market, opposite to the mature, low-growth rate demographics of traditional OTA's, which is expected to enter an exponential growth phase with the arrival of institutional and custodial players in the crypto-space in 2019 and 2020.

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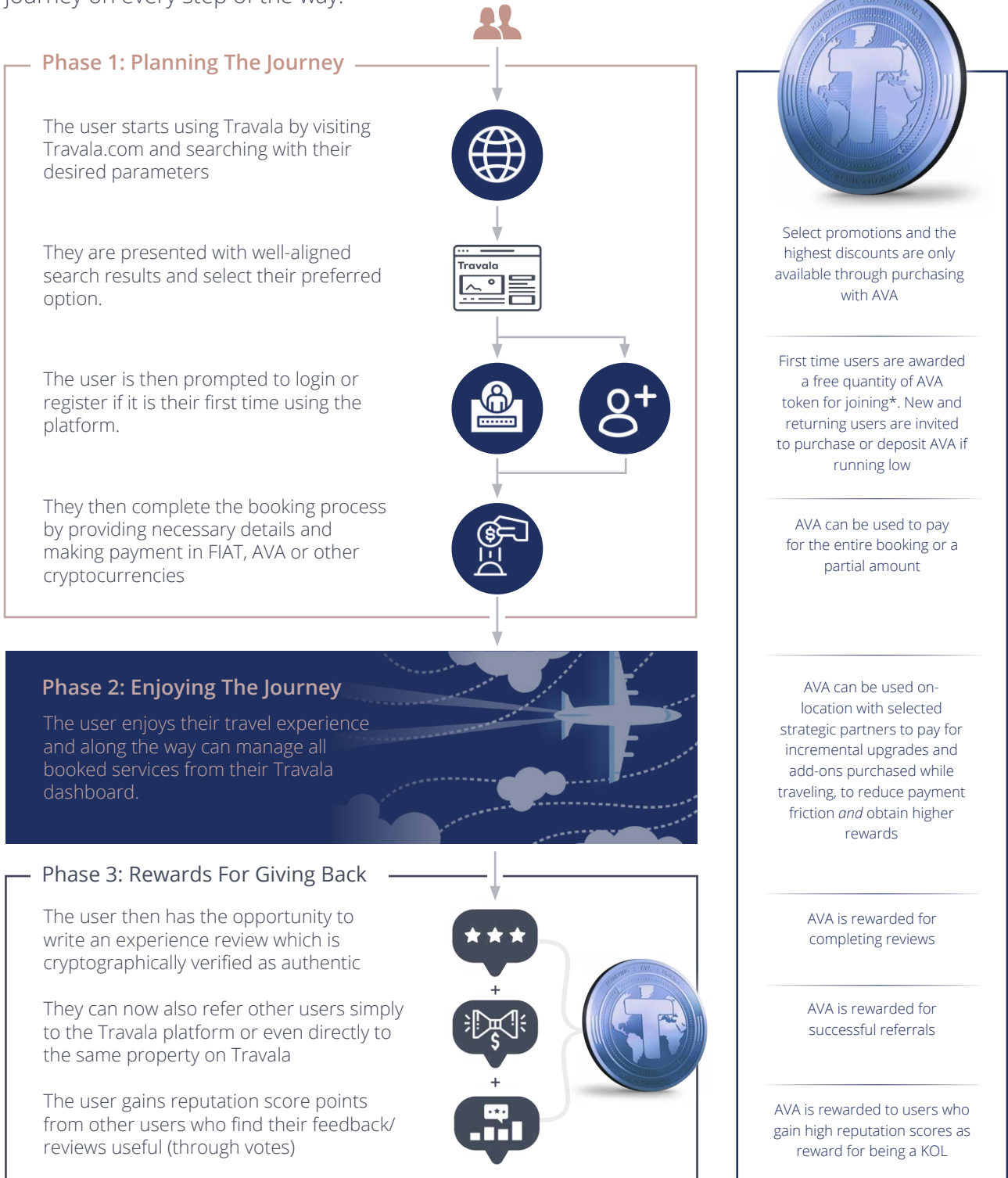
6 [https://cdn1.momondo.net/i-3/content/documents/The%20Value%20of%20Travelling%20A%20global%20study\\_FINAL\\_NewFrontPage.pdf](https://cdn1.momondo.net/i-3/content/documents/The%20Value%20of%20Travelling%20A%20global%20study_FINAL_NewFrontPage.pdf)

# 6. The User Journey

(With AVA Traveling Alongside)

*Note: The full token functionality is covered in more depth in [Section 9](#).*

See below an illustration of the user journey on the Travalala platform, from initial entry all the way to completing a successful trip and leaving a verified review on Travalala. AVA is along for the journey on every step of the way!





# 7. The Travalá Ecosystem

The Travalá platform is comprised of three layers:

## 1. The Travalá dApp Layer (user-facing interface) which:

- allows consumers to browse and complete bookings of their choice from an extensive range of supplier offerings (already 550,000+ properties across 210 countries and 80,000+ destinations)
- gives users access to their built-in Travalá wallet (which holds tokens such as AVA)
- enables users to leave trusted-reviews of past services booked through the platform
- makes available to users special offers and incremental upselling of services, such as travel insurance etc.

## 2. The Travalá Protocol Layer (underlying economic rules) which:

- Implements the NEP-5 contract standard layer-wide
- is comprised of a suite of smart contracts governing the interactions of all economic agents in the industry (covered in more detail in the Appendix)
- enables value transfer (whether economic, reputational, knowledge-based etc.) between stakeholders, using proxy smart contracts to determine the validity of and right to transfer this value (for each stakeholder involved).
- enforces the cause-and-effect results of stakeholder interactions i.e. a simple example would be how token value flow from user to service provider results in confirmation of the hotel booking for the user (again governed by proxy smart contract)

## 3. The Travalá Consensus Layer (underlying records) which:

- Is implemented on the NEO blockchain, operating with a dBFT protocol and currently processing at speeds of 1000 transactions/second (with planned scalability increases leading to 100,000 tx/s by 2020<sup>7</sup>)
- is the governing record of the most important stakeholder pieces of information within the Travalá economy (with both monetary and data-relevant states tracked through use of proxy smart contracts)
- tracks perfectly user token balances and smart contract commitments
- allows user and supplier reputation to be verified and be maximally-trusted

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7 <https://rebrn.com/re/da-hongfei-neo-will-scale-to-tps-by-without-sharding-4021383/>

## Platform Visual Snapshot



## Platform Stakeholders

There are three key stakeholder groups for the Travala platform. The disparate incentives of each group have been carefully-aligned as part of the platform design. Large-scale adoption and eventual commercial success of Travala are dependent on all three groups working to their collective mutual benefit and creating incremental value for each other above and beyond the traditional OTA model.

### Travellers:

The most important of the stakeholders, travellers (particularly those blockchain and crypto-savvy, as already outlined) are the target consumer base of the platform and which, if present, will be the driving force in attracting key supplier and partner demographics to the ecosystem. Travala is focused on gaining use adoption primarily from younger generations of consumers, such as the demographic group referred to as Gen-Z. This group (classified as those born between 1995 and 2010, the eldest of which is now in 2018 is 23 years of age) are:

- fundamentally different consumers to those from the Baby Boomer era and Generation X. They dislike the established order and have not yet formed their brand loyalties. They are therefore ripe for educating on alternative shopping options across a multitude of industries. Most relevantly for Travala, this generation of consumers are expected to travel more than any group before them and are also forecast to do so in new ways.

- born tech-native and extremely socially-aware, the combination of which has resulting in this younger generation driving the movement towards decentralized technologies, such as the increasing use of peer-to-peer cryptocurrencies.

This pre-filtering of the Travalá target consumer audience to those expected to travel extensively, but also open to new brand education and already crypto-fluent, will result in greater efficiency of every dollar spent in customer acquisition and increasing the customer lifetime value (CLV) for those acquired. Gen-Z members of the blockchain community have been the initial target group for Travalá's focused marketing to-date.

Travalá of course does not view this target demographic as mutually-exclusive to older generations of consumers, and ancillary acquisition opportunities for those will also be taken advantage of when suitable and at the right cost.

### **Suppliers:**

Suppliers across the travel industry (encompassing hotel, hostel, flight, car rentals, vacation rental bookings, trip/tour operators etc.) will be connected to the Travalá platform both directly as well as through the largest, best-value wholesale providers in the travel industry. To quickly achieve the high number of listings and competitive rates that were expected by consumers when the platform launched in early 2018, the Travalá team have been prioritising key supply partners such as HotelsPro and integrating their full suite of listings through bespoke APIs. These wholesale partners enable Travalá to offer customers the lowest-possible rates across the OTA industry and with a level of transparency beyond the mainstream players. This is a rapidly-growing partnership base which will continue to expand to include Amadeus, Priceline, Expedia, Ctrip, HotelBeds, DOTW, Tourico, Restel, Travco, Jactravel, HotelUSA, RoomsXML, Didatravel, World2Meet, GTA and many more.

Once the natural expansion limits of the wholesale channels have been reached, phase two of listing and services expansion will focus on establishing deals with the biggest hotel chains and travel services operators in the industry and offering them Travalá's innovative technology.

### **Strategic Partners:**

Comprised of the large group of ancillary service providers and travel industry stakeholders who through integration with the Travalá platform can both bring value to the Travalá userbase as well as gain incremental value for their own service offering. There are different methods through which strategic partners can integrate with the Travalá offering, ranging from full integration of the AVA token and smart contract utility on their platform to simply allowing their services to be

booked through the Travalá dApp. A wide range of potential strategic partner types has been defined and initial conversations are underway with many. Examples include ride-share companies (such as Uber, Lyft, etc.), restaurant booking companies such as Opentable, aggregated leisure services, global pay-for-entry lounge chains, etc.

## 8. Business Model

The Travala business commercials are driven by three core pillars, two of which are revenue generation-focused and one which is focused on maximisation of asset utilisation.

Revenue	1. Booking Commissions on Travala.com	The low net rates negotiated by Travala with leading aggregation wholesalers are offered to the consumer with an average saving of 15% (as opposed to current mainstream OTA's). Travala will add their commission to operate, grow the platform and replenish the reserves as-needed.
	2. Paid Placements & Promotions by Strategic Partners	Revenue is also generated from the supplier side of the market, with Travala developing appropriate and user profile-targeted promotional placement opportunities throughout the user platform journey. AVA can be used for these transactions.
Asset Utilisation	3. Activity to increase the utilisation of Travala Ltd's underlying AVA token ecosystem	The Travala platform is both driven by the AVA token and serves as a vehicle to foster and grow the token economy. Through incentivization of users to use the token wherever possible for increased benefit, demand for the token should rise over time. This increased demand should positively impact the intangible brand value of and consumer engagement with the AVA token platform as owned by Travala itself. This brand value and consumer loyalty can be leveraged selectively through incentivized platform growth, attract new strategic partners and achieve other development milestones which should indirectly contribute increased monetary value to the platform through increased services redemption.

## Booking Strategy & Revenue

Travala will pursue a broad benchmark competitive pricing strategy against the mainstream OTA players. With industry pricing being extremely dynamic (rates change daily and are occasionally channel-dependent), it is not possible to guarantee cheaper rates for every single consumer transaction. Therefore, the most sustainable and trustworthy pricing methodology for the Travala platform to pursue is to enforce average global price competition.

This will allow the Travala platform to achieve pricing which is on average 15% cheaper than mainstream OTA competitors. As detailed previously, this is achieved through strategic partnerships with leading global and local wholesale booking aggregators.

Due to industry-wide rate parity agreements<sup>8</sup>, Travala will show the 15% discount to the consumer as:

- 1. 7.5% cheaper on average across all accommodations publicly visible*
- 2. 7.5% on average per booking given back as purchase incentives and loyalty rewards*

Incentives and rewards will be given in AVA tokens regardless of the payment method. This enhances the Travala token economy, as adoption and booking numbers increase, more AVA is held within the platform.

Additional to the average 15% saving enjoyed by the consumer Travala will incorporate their commission to operate, grow the platform and replenish the reserves as-needed.

The Travala platform will also continually implement innovative booking and pricing mechanisms which shall result in continued growth in net profit margin. An example of such a mechanism is the planned integration of an automated re-booking system into the Travala architecture. Were the price of a booking to fall after the initial reservation is made, this re-booking system will allow Travala to automatically cancel the original reservation and re-book it at the new lower cost. The difference between the original and new booking prices will be split between the Travala system and with the consumer.

## Paid Placements & Promotions

A variety of platform advertising and direct marketing opportunities will be made available to strategic partners who wish to avail of the intimate consumer access offered through the Travala

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<sup>8</sup> <https://www.triptease.com/blog/otas-wholesale-rates/>

platform. Importantly, these partners will be vetted by the Travalva team to ensure that they are worthwhile actors to allow advertise on the platform. Additionally, users will have the option to opt-out of receiving marketing messages from specific partners if they do not wish to continue seeing them.

Marketing opportunities vary in type and cost, ranging from the option to place relevant advertisements alongside user searches (geographically-relevant, trip-type-targeted etc.), to prioritising listings for specific searches, to being able to directly communicate and make arrangements with the leading travel Key Opinion Leaders (KOL) on the platform.

Strategic partners can pay for these marketing opportunities using AVA. This will serve as an additional mechanism with which market demand for AVA is stimulated.

## Platform Fees

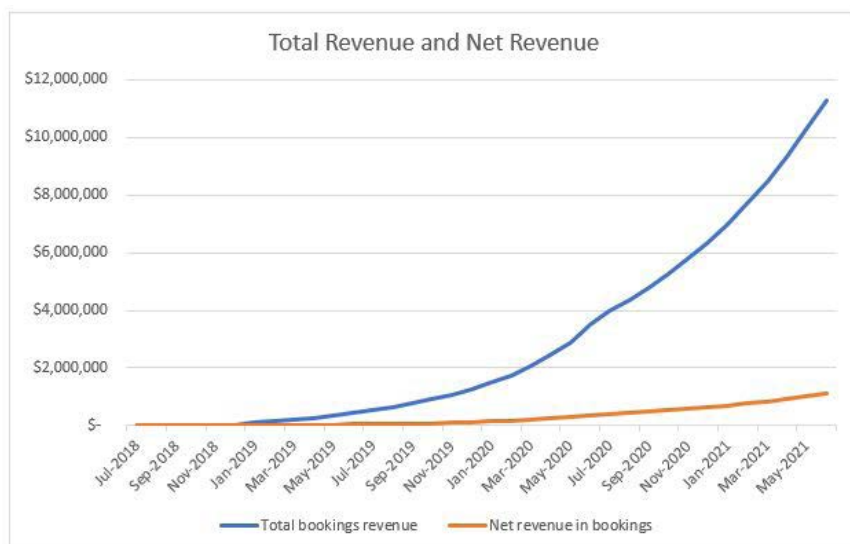
The table on the right presents fees indicative of those which the Travalva platform will charge.

Commission fees are calibrated to and vary according to the maturity level of the platform, the total number of users using the platform and its projected revenue.



## Platform Revenue

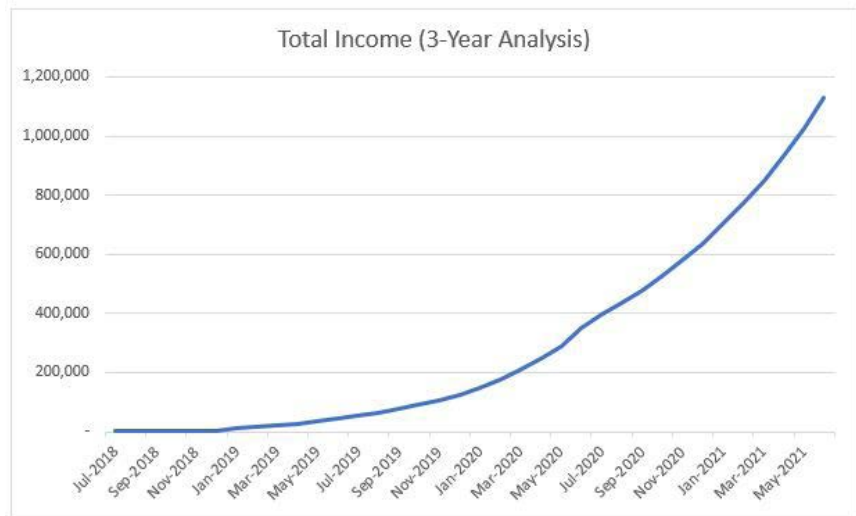
The Travalva platform’s key metric of Monthly Booking Revenue (MBR) is targeted to reach US\$10 million by May 2021 - a target amount which represents between 0.01 percent and 0.03 percent of the global monthly revenue streams for the Online Travel



Agency (OTA) industry. Travala’s booking platform earns its revenue from the commission fees and the AVA cryptographic tokens used to pay for services on the website.

The initial proof of concept version of the Travala platform launched with over 158,000 properties; the initial focus on regional properties is resulting in a large number of organic consumers that are reached with a lower customer acquisition cost.

As the platform matures, more API-based property providers such as Travolutionary will be integrated, which is expected to lead to a growing global demand – orders of magnitude more impactful than the traditional OTAs to the Travala target consumer base demographic with connection in the blockchain and cryptocurrency sector. The above chart illustrates the projected income growth throughout the first 3 years.





## 9. AVA & The Travala Economy

The Travala economy consists simply of the interactions between the stakeholders as identified (Travelers, Service Providers and Partners), as powered by suite of Travala Smart Contracts and the AVA token.

AVA is a NEP-5 standard token i.e. the token format native to the NEO blockchain.

The economic model has been carefully-designed to support platform growth until self-sustaining profitability can be reached, including that the capability for regular token buy-backs has been put in-place.



Please note the following stipulations regarding the AVA token:

- The AVA token standard does not allow conversion of the token into another DLT asset type;
- The AVA token standard does not allow atomic swapping or interoperability outside a limited network of Travala-associated DLT platforms;
- AVA token is a form of digital medium recordation whose utility, value or application is restricted solely to the acquisition of goods or services on Travala and a limited network of Travala-associated DLT platforms.

Explained in the subsequent sections are the core economic drivers of the Travala economy, and how the full functionality of the AVA token complements each.

### **AVA: Powering Payments**

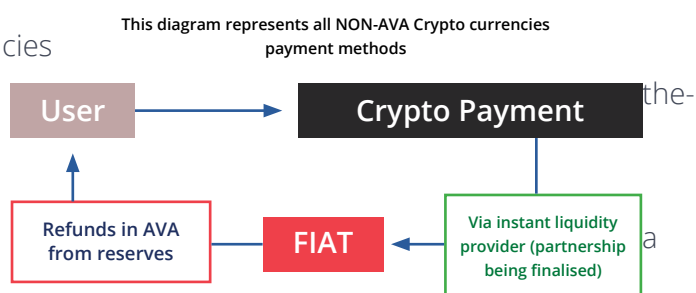
In addition to innovative functionality beyond the current OTA model, successful disruption of the incumbent OTA players also requires minimisation of barriers to user adoption. Therefore, Travala will offer users a full-spectrum suite of payment options:

1. Traditional (FIAT) Currencies - This method incurs a standard 1% to 5% fee depending on the fee charged by the payment processor.
2. AVA Token - Once used by consumer for booking, AVA tokens will reallocate into the reserves to be used to power the in-platform token economy.
3. Leading Cryptocurrencies - e.g. Bitcoin, Neo, Gas, Ethereum, Litecoin, Dash, EOS, Stellar, BNB, XRP, TrueUSD and many more...

Payments made using non-AVA cryptocurrencies

will be converted to FIAT on-spot via the decentralized liquidity module (made available to Travala through strategic partnership with well-established payment processor.

Announcement to be made once parameters of arrangement are finalised).



Refunds made for bookings with a any cryptocurrency assets will be issued in AVA (minus applicable cancellation fees or processing costs) in-line with the original cost of the booking (tracked to the local FIAT cost of the reservation). Denominating refunds in AVA allows the team to minimize fluctuation in the value of a large range of cryptocurrencies and also encourages re-use of the platform by the same user at a later date (as they are now holding AVA).

## AVA: Enabling Special Discounts

Though Travala presents a wide range of bespoke discounts and innovative promotional mechanics for every user, using AVA tokens to pay for the booking cost will always give users access to the best possible price on every transaction.

Referred to as the AVA Discount, it will constitute a special discount range on bookings. Varying in size, depending on the booking type and cost, the AVA discount offers users the ability to use AVA tokens for bookings at the most preferential discounted value possible for that particular booking. The AVA discount is an effective mechanism for the platform to reward loyal AVA users, and to increase velocity of token. The token then being returned to the AVA reserves for future distribution as rewards and other incentives.

## **AVA: Incentivising Contribution**

Lacking in the traditional OTA model is a true ability to incentivise users to engage with the platform and community beyond simply booking their desired services and quickly disengaging. Most users of traditional OTA's are familiar with the experience of receiving platform-specific rewards points which don't seem to have an intrinsic value beyond the OTA itself. With AVA, there is a multi-pronged incentivization mechanism to increase the level of its use on the Travalá platform and within the ecosystems of strategic partners.

Though it may seem simple, it is the link to real-world value which is the final piece of the puzzle in incentivising user contribution to and interaction with a platform. Rewards offered in AVA tokens on one platform are no longer of intangible value but can be pursued with a view to multi-platform use. Additionally, these tokens can be saved up for use on future bookings, increase your membership level on the platform for access to special offers, or be withdrawn from the platform to your private wallet of choice.

## **AVA: Supporting Smart Contracts**

Smart contracts automatically drive the interactions between stakeholders on the Travalá platform. Each smart contract-driven "utility event" on the platform, triggers a flow of AVA token in one or multiple directions. A selected suite of smart contracts are covered in full detail in the Appendix of this document. AVA tokens will not be held in smart contracts at any stage to mitigate the risks of volatility.

## **AVA: Connecting Strategic Partners**

As it is not alone as a disruptor in the travel industry, Travalá has much to gain from developing specific strategic partnerships with suitable stakeholders within and ancillary to this industry. However, in-line with the distributed and open-access ethos of the nascent blockchain space, use of AVA token is by design available to all, whether strategic partners to Travalá or purely interested participants of the platform. Partners who wish to integrate AVA functionality into their own ecosystems (whether blockchain-based trusted reviews, or smart contract-driven bookings) can do so without obstacle by simply paying AVA as the fuel cost for use of this infrastructure. This not only leads to increased token velocity within the Travalá ecosystem, but also grows the number and strength of Travalá's strategic partnerships.

Over time, this open-platform ethos is expected to lead to the development of a “decentralized travel alliance” within the travel industry. This alliance can be connected by the AVA token (as well as other complementary tokens, linked through interoperability with a limited number of other DLT platforms) such that each party benefits from greater usage of the token(s) and shared infrastructure.

- **Travala customers benefit** from the ability to redeem their AVA tokens on multiple platforms which form part of the network of Travala-connected DLT platforms.
- **Alliance members benefit** from the network effects of greater numbers of users being exposed to their goods and/or services, in addition to benefitting from the lower costs of leveraging the lightweight, low-cost Travala technical infrastructure where it brings efficiencies to **their operations**.

As a whole, the open-platform strategy will allow Travala to broaden its reach in the OTA and NOTA industries and create long lasting relationships with partners that have a vested interest in the success of the underlying token and infrastructure.

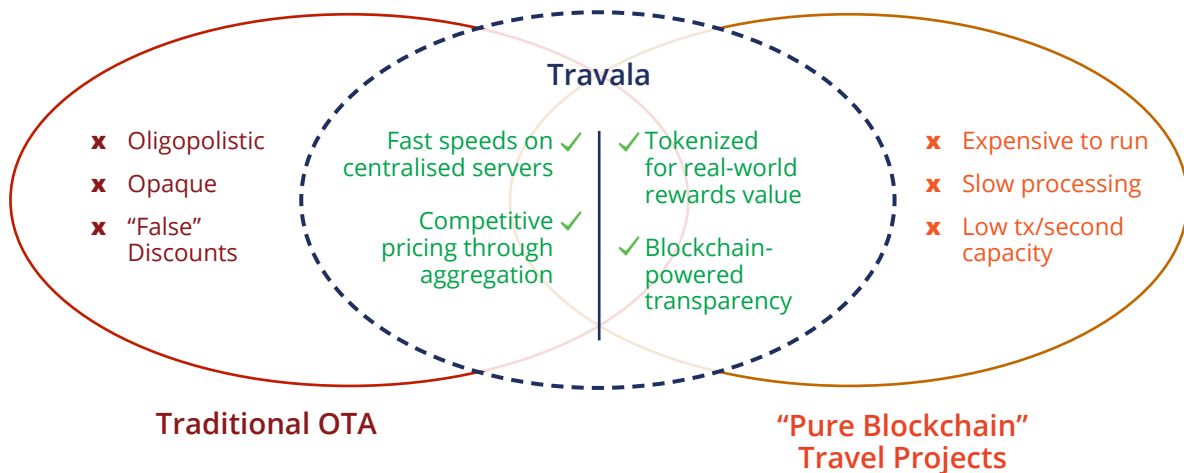
## **AVA: Building A Monetary Base**

The AVA token monetary policy governs the token economics of the platform – including how the token is initially distributed and which future token use cases are implemented. The goals of the monetary policy are twofold; firstly, to reward early adopters of the network with more affordable usage cost of the platform; secondly, to ensure that there is sufficient liquidity of AVA tokens within the target consumer group to facilitate their token usage on the platform.

The monetary policy of AVA tokens is determined directly by a Monetary Policy Board and indirectly by AVA token holders who are eligible to vote for Monetary Policy Board Members. This Governance mechanism allows the token economics of the platform to adapt and evolve responsibly and with the input and participation of stakeholders. The initial Board, comprising a minimum of 5 members and a maximum of 9, will be appointed by Travala. The initial Monetary Policy will prioritise token price stability upon token launch. It is expected that occasional refinements of policy will be necessary to achieve the stipulated goals.

# 10. Competition

In signifying the arrival of the Next-gen OTA model, Travalva sits between incumbents and other potential disruptors within the travel booking space. Facing these two distinct competitive forces, Travalva confidently occupies a middle path business strategy which combines the best of the previous generation of technology, with the realistically-achievable of the next generation.



The key points of differentiation of Travalva from traditional OTA solutions are well-articulated throughout this document. However, it is now important to explore the rationale for Travalva's competitive edge over other platforms which profess to be developing next generation solutions within our competitive space. It is possible to group these competitive offerings into two types:

- 1. Direct competitors with fully-decentralized models:** Platforms which function as OTA's but which are building completely decentralized models e.g. Atlas.world, Locktrip.
- 2. Indirect competitors:** Platforms which are targeting ancillary niches within the space e.g. Traveler, Travelblock, Goeureka, Beetoken.

It is most critical to examine those in the first group, as they articulate goals which directly compete against the Travalva Platform. In making a fully-decentralized model the centre of their ecosystems, platforms such as Locktrip and Atlas.world are voluntarily implementing drastic speed and scalability challenges which will undermine their ability to deliver the near-instant service and confirmation speeds now expected by OTA users. As the classic Scalability Trilemma

states<sup>9</sup>, it is widely agreed that all blockchain platforms developed to-date face a necessary trade-off between decentralization, scalability and security. High scalability is possible if transaction verification is centralized to a smaller number of validating nodes. Alternatively, decentralization can be maximised, but transaction volume and speed will suffer as a result (in its current release, Ethereum can handle ~15 tx/s).

The use of true (fully-decentralized) blockchains can make sense in cases where the speed/verifiability trade-off is actually worth it, such as core, fundamental technologies which underpin society-essential infrastructures (e.g. money, identity verification etc.). But the simple truth is that the majority of travel-related platforms which wish to leverage the relevant advantages of blockchain technology (tokenization of value such as loyalty rewards, reputation, insurance contracts etc.) should and can do so without invoking the need for full decentralization. Nouriel Roubini, in his recent testimony<sup>10</sup> for the Hearing of the US Senate Committee phrased it perfectly: *“Blockchain investment propositions routinely make wild promises to overthrow entire industries, such as cloud computing, without acknowledging the technology’s obvious limitations.”*

The limitations to which he refers are the confirmation speed and transaction volume throughput limitations which modern-day blockchains will continue to be restricted by for many years to come. Just as Airbnb and Uber function incredibly-well as centralised server-driven applications, the OTA model is not broken in that regard.

The Travala team desire to avoid virtue-signalling to the blockchain community about pursuing full decentralisation. Those aspects of the platform most in-need of blockchain support and enabling will be powered by the NEO blockchain. AVA represents tokenised real value which the user has total control over. Maintaining centralised server-powered booking processes and content delivery will allow Travala to avoid the capacity limitations currently being faced by competitors in the space.

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9 <https://github.com/ethereum/wiki/wiki/Sharding-FAQ>

10 <https://www.banking.senate.gov/imo/media/doc/Roubini%20Testimony%2010-11-18.pdf>

# 11. Token Distribution & Use Of Funds

**AVA Token Details** - *Details below are subject to change.*

The AVA token is based on the NEO NEP-5 Standard<sup>11</sup> and will be deployed to the NEO Blockchain. The tokens can be held in any NEO address, using any wallet software that supports the NEO blockchain protocol and NEP-5 tokens, including the Travala.com native wallet. There is 61,571,086 total supply of AVA tokens.

## Use Of Funds

Funds raised through the AVA token sale are being used across three primary areas, in order to build on the existing platform and community-building progress to-date, all while ensuring that the project remains compliant with local laws and regulations where relevant.

## Platform Development

Platform development includes: building and securing core smart contracts that implement issuance of the AVA tokens, booking smart contracts, and governance architecture; service-level web, mobile (both iOS & Android) and dApp templates and customisation tools, and integrations that are pre-compatible with future versions of the NEO blockchain (state channels and stable coin integrations).

## Legal and Regulatory Costs

Legal requirements include corporate set-ups in relevant national domiciles as well as the different financial and operational licenses required. We are working with legal advisors and regulators in these relevant jurisdictions, in order to comply operationally with local laws in addition to global AML/KYC frameworks.

## Marketing and Promotion

Marketing and business development efforts will be focused on identifying and forming relationships with API booking providers, hotels and aircraft booking providers. Marketing efforts will also be focused on increasing the awareness and knowledge of the Travala Platform, including its functionalities, to the target markets as identified earlier in this document. Additional resources will be spent as-needed to form strategic partnerships within the OTA and blockchain

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<sup>11</sup> <https://github.com/neo-project/proposals/blob/master/nep-5.mediawiki>

# 12. Roadmap

2017  
Q4

- Travalva concept created and initial project variables identified

2018  
Q1

- Research and development of platform functionality
- Creation of MVP/ Working proof of concept
- Release of Marketplace V.1 with 6,000 listings

2018  
Q2

- Development of Marketplace V.2

2018  
Q3

- Release of Marketplace V.2
- 71,000 listings added
- Key Management Role Hires
- Additional 80,000 listings added
- Strategic partnership with Spotcoin

2018  
Q4

- Development of Travalva in platform wallet for login, payments and KYC.
- Marketing campaigns to increase community and platform users
- Development of blockchain review program with incentives giveback
- Affiliate referral program development
- Reputation points program development
- Worldwide Coverage of Properties / Accommodation
- Research & Development of Global Flight Bookings
- Implementation of Enterprise level scaling solutions and infrastructure and performance upgrades

2019  
Q1

- Travolutionary aggregation API integration
- Increased supplier integration capacity



# 13. Our Partners

Travala has sought to establish and grow partnerships where strategically-worthwhile and of mutual commercial benefit. Identifying key areas of competence to be reinforced through suitable partner support has been a priority focus to-date. Below are the key partnerships already confirmed, a list which will continue to be complemented by further cooperation (much of which is currently in discussion at present).

## Blockchain

*Strategic partners within the blockchain space, with particular focus on synergies within the NEO ecosystem.*



nOS

*User-friendly desktop and mobile application, a virtual operating system or users to access the decentralized internet.*



Spotcoin

*Strategic partner within European NEO community.*



Coupit.io

*Affiliate program ecosystem with built-in online marketplace.*



Thor

*Blockchain-powered onboarding, incentivisation and payment for contracted (gig economy) workforces*



Switchero

*Strategic partner for access to decentralized technology developments within NEO ecosystem*

## Suppliers

*Seamless and fast wholesale access to the most relevant hospitality products on a global scale.*



DESTINATIONS OF THE WORLD

# 14. The Team

## Matthew Luczynski – Co-Founder & CEO



Matthew is a young and vibrant entrepreneur with a first-class honours degree in international business. He has been involved with multiple projects throughout his time at university. He founded an application for travellers, allowing users to interact based on geo-location, specifically designed for meeting new friends with similar interests. He also played key roles at international business competitions set by Harvard business school, driving his university team to achieve runner-up positions in both business strategy and business planning case competitions against 13 of the top business universities globally. He has an in-depth self-taught knowledge of blockchain, having been involved in the crypto space for 5 years.

## Steve Hipwell – Co-Founder & COO



Steve is a marketing guru and a serial entrepreneur. He has founded and directed multiple holiday property sales businesses from the ground up. Steve has been involved in Bitcoin and cryptocurrency since the early days. His experience and understanding of blockchain technology and the cryptocurrency space are hard to match. On an earlier return to the UK Steve set up a successful online lead generation business. After meeting his Vietnamese wife, he moved to Vietnam to become a key Sales and Marketing Advisor for a multi-million-dollar travel and cruise operator.

## Juan Otero – CSO



Juan is a serial tech entrepreneur and innovation advocate with over 15 years' experience in building, scaling and leading disruptive technology companies. Most recently the Founder & CEO of CryptoCurrencies.com.au, Juan's experience in tech start-ups has led to his involvement as a Consultant and Advisor in several leading start-ups, blockchain projects, start-up accelerators like Silicon Valley's Founder Institute and Wayra Telefonica and government organisations like the European Institute of Innovation & Technology (EIT) and the European Commission. Previous companies include Sun Microsystems (acquired by Oracle for \$7.4B) and Booking.com, the world's largest and fastest growing online hotel booking service, part of Priceline (PCLN) - Mkt cap of \$91.5B.

## Tam Hoang – CTO



Responsible for management of the technical project roadmap, Tam continually works on and pushes further the Travalá technical vision and technical team work. With 17 years MNC work experience in various managerial roles encompassing IT Director, IT Manager, Vice General Director and COO, Tam has an in-depth knowledge and experience in real world leadership, information and communications technology, business management, business development and project management.

## Fiachra Mullen – CMO



Fiachra is a tech enthusiast and investor in blockchain projects since early 2016. With broad involvement in the Hong Kong blockchain space – primarily across the Bitcoin and Ethereum communities – he is passionate about the decentralising force of blockchain and its potential to disrupt and democratise industries for the benefit of the global community. Previously CEO & Co-Founder at WLTH ([www.wlth.tech](http://www.wlth.tech)), he now passionately drives the Travalá marketing program forward. As an entrepreneur, he previously built and sold both an Irish boutique web design agency and a Californian-based consumer electronics brand. Prior to entering the blockchain space, he was a Marketing Director in the Chinese Consumer FMCG segment.

## **Alberto Cevallas – Token Economics Architect**



Founder at Keter.io - a technology research and development firm specializing in token engineering and blockchain economics - Alberto created and led the Token Economics team at Vanbex, one of the leading advisory firms in the blockchain space. Specializing in building token-powered networks that lead to greater efficiency, liquidity and opportunity, Alberto is an expert in Token Economics, Valuation & Sales Structuring, Mechanism Design, and Market Research.

## **Cong Nguyen – Senior Project Director**



Cong is passionate about technology and business transformation. He held multiple management positions in FPT software – the largest Software Outsourcing company in Vietnam from 2006 to 2011 and his contribution to the company was truly appreciated. He took the position as IT Service Manager of FPT Asia Pacific in Singapore for a year before investing in and becoming a member on board of QSoft in 2011, making it a recognized IT brand in Vietnam. He founded and became CEO of GEM in 2014 with the vision to become a global IT solution company for enterprises. Cong is the Senior Project Director for the Travalat.com project.

## **Hoa Pham – Blockchain Developer**



Hoa has 4 years' experience in team-driven environments, working with both Front-end and Back-end systems. Fluent in JavaScript, his experience also extends deeply into Amazon Webservice Architecture VCS dependency, Multi-tiers architecture, MVP architecture etc. He is also very familiar with database management system PostgreSQL and is FE certified.

# 15. Appendix

## Utility Events & Smart Contracts Powering Travala

Smart contracts power and govern interactions between stakeholders on the Travala platform. This collection of smart contracts are event-driven IFTTT (If-This-Then-That) changes in state which collectively log the results of the network activity, enable it to work fluidly and help ensure incentivization mechanisms are executed correctly.

AVA token flow also correlates heavily to the creation and fulfilment of smart contracts. Transactions which encourage the transfer of the AVA token are also referred to as “utility events” on the booking platform. As increasing numbers of users use the platform, AVA tokens are deployed for use in the ecosystem in proportion. As users receive tokens through their use of the platform, they are incentivized through various mechanisms to put the tokens to use for bookings, to gain access to the higher levels of reputation or to access to the closed user group special offers. Both types of use drive token velocity and adoption.

Below are a sample of the utility events and smart contracts which together form the intelligent blockchain-driven engine of the Travala platform in phase one:

Event	Description
Bookings	A proxy smart contract will make sure that both a User (A) and a Service Provider (B) are safely requesting a “Service Agreement”. Upon successful recognition of smart contract addresses (through identity authentication), the Proxy Smart Contract calls an event a method that triggers an event for the “Services Agreement Smart Contract”. AVA tokens will be held in smart contracts at any state to mitigate the risks of volatility.
Giveback	For every booking on the platform there will be a giveback that the user can redeem by returning after their stay to complete a verified honest blockchain review regardless of it being positive or negative. This incentivizes the review process which we know is a big problem as customers tend to write bad reviews more than good ones motivated by anger or sadness. This also incentivizes repeat bookings as the user knows they have AVA waiting to be used for their next booking.

Event	Description
Reviews	Upon the completion of a services agreement transaction between a User and a Service Provider, a User is able to deploy an honest review on a public blockchain. This message is connected to UI that recognizes it as a review for a specific services agreement. This action will also trigger a percentage giveback from the booking price to be used for future bookings.
Reputation	With regular use of the platform, reputation scores of a user will increase. As such, the reputation score increases, the user will be given access to discounts and offers i.e. Special offers. Validators will provide feedback from reviews and other activities performed by the user through a proxy smart contract to give an accurate reputation score.
Referrals	Users who successfully refer to the platform new users are rewarded with tokens.
Special Offers	<p>Holders of specific amounts of AVA tokens will get access to special offers section of the Travalá platform.</p> <p>These deals that cannot be displayed publicly and will only be available after users have logged in to the platform.</p> <p>Amounts of AVA needed will be dictated by the Travalá platform at the time of implementation.</p>