

# AMAZON TOURISM TECHNOLOGY: THE (RE) CONQUEST OF TRAVEL INDUSTRY

Amazon is stepping up investments, particularly in the development of technology solutions, and expanding its strategic partnerships with leading online travel agencies to strengthen its footprint in the tourism industry.

We often hear about the great strides of Airbnb, Booking.com or Google in the tourism sector. Amazon, meanwhile, had remained rather discreet until today. Yet, the announcements of the last few months show that the juggernaut of e-commerce engages a new rather aggressive breakthrough in tourism by multiplying investments and strategic partnerships. Valued at \$ 315 billion, the company has just been crowned with the title of the most powerful brand in the world. In this context, the travel industry is becoming a competitive issue in its commercial war against Google.

## **Technology Providers Penetrate the Tourism Industry**

After the bitter failure of its Amazon Destinations hotel reservation platform in 2015, Amazon is changing the course and is moving towards the development of tourism technology solutions. The e-commerce platform makes major investments in the field of the Internet of Things, including connected speakers, as well as in artificial intelligence. Its technological advances appeal to several major travel companies, who see great potential for online booking. Skyscanner or YES.sncf include voice search and reservation functionality at Amazon Echo. Just one year ago, Amazon began deploying this innovation in the hospitality industry with Alexa For Hospitality. This voice assistant, who provides the essential information of a hotel (check-in hours, access to the pool, etc.), convinced the Marriott group.

Currently, Amazon, in collaboration with a research laboratory, is working on the development of a bracelet capable of analyzing the emotions conveyed by our voice. With this technology, Amazon hopes to better target advertising and product recommendation. It is conceivable that companies active in transportation find an interest in this device to offer flights or destinations.

But the Seattle giant does not stop there! Amazon also wants to strengthen cloud computing, which is the storage of content from applications and platforms on its servers. Amazon would be recruiting to complete its Amazon Web Services (AWS) team. The group would look for a marketing director for hotels and travel as well as salespeople. Two airlines, Korean Air and Ryanair, have already indicated their intention to use Amazon's cloud.

## **Partnership with Online Travel Agencies (OTA) Intensifies**

For several months, Amazon multiplies partnerships. With more than 300 million active accounts

worldwide, the e-commerce giant is becoming a strategic ally of particular interest to tourism businesses. A way also for her to pamper her premium members.

Thanks to an agreement reached the beginning of the year, the online travel agency Lastminute.com now allows its 40 million monthly users in the United Kingdom, France, Germany, Italy, and Spain to buy their flights and make their hotel reservations and stays with the Amazon Pay solution.

In April, a proposal was made with Booking. For one year, Amazon Prime members in Germany and Austria enjoy "Genius" status at Booking.com. They enjoy many benefits such as travel credits after making a reservation on the platform and even a 10% discount on some rooms.

Finally, in collaboration with the travel agency Cleartrip, since the end of May Amazon launched the sale of airline tickets. At first, only domestic routes in India were marketed. For its launch, Amazon grants its customers a credit ranging from € 5 to € 20 depending on the price of the ticket, and an additional credit of € 5 is allocated to its Premium members.

### **What Are the Intentions?**

With such diversification, from data storage to the payment system, Amazon is, in fact, able to master the entire customer journey. The targeted, fluid and intuitive experience meet all the conditions for an optimal purchasing journey.

For some, all these developments and acquisitions have only one purpose, to compete with rival Google. According to them, Amazon tends to become a metasearch on which the user can search for information and buy directly from its platform, rather than go to Google.

But the real commercial war against Google (and Facebook) is played on the front of advertising. Amazon's performance is still far from the performance of its competitors, but its revenue from advertising sales is growing faster. With the recent integration of Augmented Reality functionality for L'Oreal products and the launch of its latest StyleSnap app, Amazon is demonstrating its ambition to become the leader in online shopping and thereby attract leading brands using other advertising and sales channels such as Google and Instagram.

According to Christian Lundén, director of the Nordic Choice Hotels group, tourism professionals must remain alert to Amazon's evolution: **"This is no longer a competition between Booking and Expedia. It's now a competition between Google, Amazon, and Apple.** These giants have more information than service providers themselves, and even have more information than online travel agencies."

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