



ACCENTURE AND CATHAY PACIFIC: BLOCKCHAIN SOLUTIONS

VIDEO TRANSCRIPT

Live from Las Vegas, it's theCUBE, covering the AWS Accenture executive summit brought to you by Accenture.

Welcome back everyone to theCUBE's live coverage of the AWS executive summit here at the Venetian. I'm your host Rebecca Knight. We have three guests for this segment. We have Lawrence Fong, general manager, information technology, at Cathay Pacific. Peter Yin managing director, Hong Kong, Accenture. And Massimo Morin, head worldwide business development travel at AWS. Thank you so much gentlemen for coming on theCUBE. So we're going to be talking about applying blockchain to a travel rewards program at Cathay Pacific but I want to start with you Lawrence. Let's describe the business problem that you were trying to solve. The Asia miles program is already sort of a world class program very competitive but it still had its kinks so what were you trying to do to make it better?

Okay, first of all, Asia miles is a lifestyle. You know, a loyalty program and you know almost every year, they're running over 460 marketing campaigns in a year so you can imagine how much work they have to do. So from the customer point of view, they have a ping-pong of whatever activities or redemption of award or, this kind of thing, is going to take a long time for them to get the miles. So from the customer point of view, this is not really ideal. And on the

other hand at the back office because we've only so many marketing campaign so there's a lot of back office operation and a lot of paperwork and all this kind of thing so it's also not having very good operation efficiency so for the customer point of view from the back office point of view so that's the key thing we want to be solved.

Right so it was tedious to operate for both the customer and for the business itself so why was blockchain the technology that could solve it?

Well we study one of the key features or component called smart contract and we consider smart contract. Will be able to help bringing our customer and Asia miles and also our merchants you know together so by using , watching the miles and redemption all these will happen almost in a second.

So how did this work Lawrence I mean in terms of working together with Cathay Pacific, how did you work together to create this this new program?

Okay effectively is a very co-create process. It started with a conversation with Lawrence we had the idea so Lawrence was courageous enough to let us try. we did a very short quick pilot. We proved the concept and we went into a very rapid development cycle as well and then within weeks, we get the product done and then



we launch and go to the market

So Peter is that, generally the way it goes in terms of this co-creative process? I mean we're hearing so much that Accenture and AWS have these solutions that they can bring to clients and then is it sort of happening in the background or are you on the ground together sort of dreaming up ways to make this better and make the technology work?

Well we used to call this the new way of doing things but I think now this is the way of doing things because it's a perfect combination, the client has perfect knowledge about the business, we understand the technology and we have enablement partners like Amazon so we just work together and make it happen.

So from Amazon so we hear we hear blockchain, you automatically think Bitcoin, you just do but this is actually a very different kind of use case for blockchain and it and it's one that really is so pertinent. Can you talk a little, Massimo, about other use cases that you're seeing?

So indeed you are right, blockchain has been very nebulous and always associated to bitcoins but there are actually some use cases that are a much more relevant especially the travel industry when you have complex transaction multi-party, where you are actually going to do transparency and data integrity. For example we had a proof-of-concept about a 1ID project that allows to travel agency to register themselves with this authority, get a key and then seamlessly doing transaction with travel providers by identifying themselves a true blockchain. That allows them to actually be recognized and you have a seamless process with the new NDC, new distribution capabilities, coming along that is going to be extremely important. This is one type, another type is when you want the immutability of the data. For example when you have planes, and you want to see you getting leases on and off lease, you want to see all the maintenance that occur there and you want that that doesn't change. You want

to use a trusted system that is transparent and that is not changeable and that provide a lot of value. And the third use case that I personally like is automatic contract so when for example you have corporate buyers that the buyer travel product from a travel provider like a Cathay Pacific and you want that you buy the ticket but when is the airline going to get the money, the reconciliation is like in the flyer miles, you want to be done as soon as possible. Other cases is the passengers flying around. If it doesn't gly, well what happened to the taxes, the taxes should be actually returned and back to the customer so with automatic contract you would be able actually to reconcile that behind the scene. These are used cases that are very valuable in the travel industry

So in this immediate reconciliation and mistrust, I mean Trust is such an important concept right now, what are you hearing, what are you from both the client side and the provider side, I mean where are we?

Yeah that's true I think Trust is one of the key elements of you know doing reconciliation so what we are doing now still within our legal system so we trust each other but you know, looking forward I think one of the key areas the blockchain will help a lot is their entire supply chain but when we talk about the supply chain there's so many stakeholders. So building a trust across diverse stakeholders will be a challenge. I think that's um something you know of course the industry has to put more thought.

What are we seeing so far, this this was implemented in April of this year, what has been the return on investment so far?

Oh it's phenomenal the growth marketing campaign we using, portraying these new capabilities. We have growth in terms of sales and also the because we also use a kind of a game to gamify the whole thing so you create a lot of traction there you know a lot of excitement so the number of people, you know, number of customer engaged in those marketin campaigns means also have a modern you know, coupled



growth.

Peter what's most exciting to you about this process ?

The most exciting thing is that as you have from Lawrence's is indeed generating performance and results and the process of co-creating a successful solution is a very rewarding spirit

So I mean in then AWS, in terms of the co-creative process, I mean where are where does AWS fit into this?

So we are the neighbor and I'm glad that both Cathay Pacific and Accenture as using AWS for this so we have standard templates blockchain templates that actually take away all the heavy lifting or put in place the platform to run the blockchain so actually the customer the partner can focus on the business need that they have at hand and this is all open source so you can see how it works and it's so transparent that we are very glad to enable our customers to do transformative things like this

So the word is out that blockchain is not just for Bitcoin anymore so where do we go from here so we're talking about the travel industry but are the learnings That Cathay Pacific has had an Accenture in terms of how applicable are they to other industries and how are you sharing what you've learned this in a collaborative co-creative Process?

Now we are taking what we learned from from the blockchain we are going to apply to the cargo industry and also apply to the airport operation

particular the package you know the you know consideration package between different people across the host by training.

Actually many clients are now talking about this Cathay Pacific cases and they have very creative ideas how to borrow the concept and apply to their own business so we should see more and more application of the solution

And we are seeing an acceleration of adoption of cloud technology throughout the travel industry with airline and technology providers out there and I'm very glad that there are thought leadership for example from Cathay Pacific to take this hypothetical use cases and taking the lead on showing how it is done and sharing with the industry. We are looking for those travel leaders that will help the industry to move forward because it's very challenging industry with very low margin and any improvement in customer service is going to go a long way and we are glad to be part of that

And is that what it is I mean is that it mean as you said it sort of seeing even the incremental improvement and how that can be just so transformational for a company's bottom line.

Yes, well Massimo, Peter, Lawrence, thank you so much for joining us. It's been a really fun conversation

Thank you
Thank you

I'm Rebecca Knight we will have more of the CUBE's live coverage of the AWS executive summit coming up in just a little bit

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