# Travel on your Finger tip: A Paradigm Shift by Make-My-Trip

# ABSTRACT

Founded in 2000, MakeMyTrip is India's leading online travel portal. Created to empower the traveler with instant booking services and comprehensive options, the company began its journey with the United States-India travel market. MakeMyTrip offers a range of best value products and services, cutting edge technology, and round-the-clock customer support. Listed in Nasdaq Stock Exchange in August 2010 as MMYT

# KEYWORD

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|---|---|
| Travel | Tourism |
| Click & portal model | Online travel agency |

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## PREAMBLE

As the first and only comprehensive online travel site with real-time booking for flights, hotels, cars, and holiday packages, MakeMyTrip heralded a significant change in the way consumers purchased travel services in India. After its successful launch, the company has led the market with innovative products and services, consolidating its position in the market as a brand recognized for its reliability and transparency.

The portal sells more than 12,000 flight tickets,1000 hotel room nights, and 100 holiday packages every day. MakeMyTrip attracts more than 3.5 million unique visitors every month.

MakeMyTrip.com, India's leading online travel company was founded in the year 2000 by Deep Kalra.

Created to empower the Indian traveller with instant booking and comprehensive choices, the company began its journey in the US-India travel market. It aimed to offer a range of best value products and services along with cutting-edge technology and dedicated round-the-clock customer support.

After consolidating its position in the market as a brand recognized for its reliability and transparency, MakeMyTrip followed its success in the US by launching its India operations in 2005. With the foresight to seize the opportunities in the domestic travel market, brought on by a slew of new airlines, MakeMyTrip offered travellers the convenience of online travel bookings at rockbottom prices. Rapidly, MakeMyTrip became the preferred choice of millions of travellers who were delighted to be empowered by a few mouse clicks!

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MakeMyTrip's rise has been lead by the vision and the spirit of each one of its employees, for whom no idea was too big and no problem too difficult. With untiring innovation and determination, MakeMyTrip proactively began to diversify its product offering, adding a variety of online and offline products and services. MakeMyTrip also stayed ahead of the curve by continually evolving its technology to meet the ever changing demands of the rapidly developing global travel market.

Steadily establishing itself across India and the world, MakeMyTrip simultaneously nurtured the growth of its offline businesses like its franchises and affiliates simultaneously, augmenting the brand's already strong retail presence further. Today, MakeMyTrip is much more than just a travel portal or a famous pioneering brand - it is a one-stop-travel-shop that offers the broadest selection of travel products and services in India. MakeMyTrip is the undisputed online leader, with its share of the travel market extending to more than 50% of all online sales, a fact evinced by the trust placed in it by millions of happy customers. Remaining reliable, efficient and at the forefront of technology, MakeMyTrip's commitment and customer-centricity allows it to better understand and provide for its customers' diverse needs and wants, and deliver consistently. With dedicated 24x7 customer support and offices in 20 cities across India and 2 international offices in New York and San Francisco (in addition to several franchise locations), MakeMyTrip is there for you, whenever and wherever .

### History
Founded in 2000 by Deep Kalra, MakeMyTrip.in had its beginnings in a small office in Okhla, New Delhi. Deep Kalra, formerly V.P. Business Development for

GE Capital had the mandate to develop and partner new distribution channels for the company's consumer financial products. The internet appeared as an interesting choice with untapped potential and his role at GE Capital provided him the opportunity to be closely involved with the then nascent internet industry in India. Shortly thereafter, Deep began considering his entrepreneurial options, interested in a couple of sectors of the Indian economy, including travel. When he found that the travel industry lent itself seamlessly to the Internet and had tremendous potential as a sector, MakeMyTrip.com was conceptualized.

Deciding that the Indian market was not yet ready or an online travel agency, MakeMyTrip.com instead concentrated on the US India travel sector. In a relatively short span, MakeMyTrip.com grew to emerge as a major travel website in the US to India sector, and today has an approximate 4% share of the NRI market, which is pegged at Rs. 4500 crore (USD 1 billion). With the revolution in the Indian travel industry caused by the emergence of the domestic Low Cost Carriers, MakeMyTrip launched its website for the Indian travel market in September 2005. In its first year of operation, it was India's largest e-commerce company. According to MakeMyTrip's Company Profile, "the company is on track to achieve sales of INR 2500 crores (approximately US$ 500 million) in the financial year ending March 2010, making it India's largest travel company."

### Products and Services

Calling itself a one-stop travel shop and the most comprehensive Online Travel Agency in India, MakeMyTrip.com offers the following products and services:

o International and Domestic - Air Tickets, Holiday Packages and Hotels
o Domestic - Bus and Rail Tickets
o Private Car and Taxi Rentals
o MICE (Meetings, Incentives, Conferences & Exhibitions)
o B2B and Affiliate Services

These products are offered via the MakeMyTrip.com website, as well as at the 20 company-owned travel shops in India, and now also through new franchisee outlets opened in selected cities across India. All of

MakeMyTrip.com's products and services are said to be supported real-time by 24x7 call centres.

### Board of Directors

Board of Directors of MakeMyTrip comprise investor and independent board members. Financial Investors include SAIF Partners, Helion Venture Partners, and Sierra Ventures. Independent Members comprise such illustrious entrepreneurs and travel professionals as Philip C. Wolf (President and CEO of PhoCusWright Inc.), and Frederic Lalonde (Founder and CEO of Openplaces.org).



Framework of Transaction

### Sources of Revenue

The Sources of the Revenue is primarily depends on the commissions, incentives and the service fees which they get from Airline Companies, Indian Railway, Cruise Operators, Bus Operators and Hotel Owners. Service fees for provision of B2B and affiliate services is also an additional source of income for the company which has a huge potential. Some part of revenue also comes from the advertisement hosted on the www.makemytrip.com by advertising agency and ministries to promote the tourism in the particular state and country.

The commissions usually vary between 4-10%* per ticket and incentives on maximum number of bookings or achieving the sales targets of the airline companies. For hotel bookings, it varies from 10-15%* per Bed booked.

*vary depends on the airline, place of booking and the route for which the booking has been made.

### Financial Analysis

With nearly half a billion US dollars in gross bookings, MakeMyTrip is the largest online travel company in India and its primary website,

www.makemytrip.com, is the country's second-most visited travel website, with over 1.7 million unique visitors per month (it trails only the Indian Railways' website). As an intermediary, the company focuses on net revenues, which grew 62% in the latest fiscal year to $60 million and outpaced 42% industry bookings growth. The company also turned EBITDA positive in its fiscal 2010 ended March ($2 million), aided by a mix shift to highermargin hotels and packages business.

With India's travel and tourism market expected to double in size by 2020, MakeMyTrip will need to make only incremental investments to support additional website traffic, and though outsourced call center costs should scale with higher volumes, it should gain strong leverage on sales and administrative overhead. In other words, the company's margins are in line to get an upgrade from coach to first class.

### IPO take off
With five million shares worth $70 million in an initial public offering, MakeMyTrip.com recently went public with a bang when it began trading on the NASDAQ global market. The company says MakeMyTrip's IPO listing on NASDAQ is a major step forward for the industry as it marked the first IPO by an OTA player in the country. "The Indian OTA industry has been gradually growing over the past few years and this year the industry has witnessed many key events," Deep Kalra, CEO, MakeMyTrip told EyeforTravel's Ritesh Gupta in an interview. "As per PhoCusWright, the Indian online travel market will be US$6 billion by the end of 2010. So the sector is surely booming and registering growth." Kalra,

### Simple Registration
Just fill up a simple form and get a username and password to access the website and get book your tickets, holiday packages online.No Fees for registration

### Recent developments
MakeMyTrip.com has expanded its footprint in India by adopting a Hybrid Online Travel Agency (OTA) Model, with 20 regional offices across the country, apart from several franchise offices. This is intended to
help the company serve those customers who prefer making their travel and holiday plans directly in

person with the travel expert, rather than through the telephone, real-time chat, or e-mail channels also offered by the company.In February 2007, Amadeus IT Group announced that MakeMyTrip had chosen Amadeus as technology provider. In August 2007, the company allied with Nokia to let customers book air tickets on their mobile phones. In March 2011, MakeMyTrip underwent re-branding, wherein its brand tagline/slogan was changed from **Wish, Click, Go** to **MEMORIES UNLIMITED**.

### Acquisitions
MakeMyTrip has bought strategic assets from Ticketvala including website, URL, technology platform agent network, and bus inventory.

### Business Challenges
As the first and only comprehensive online travel site with real-time booking for flights, hotels, cars, and holiday packages, MakeMyTrip heralded a significant change in the way consumers purchased travel services in India. After its successful launch, the company has led the market with innovative products and services, consolidating its position in the market as a brand recognized for its reliability and transparency.
The portal sells more than 12,000 flight tickets, 1,000 hotel room nights, and 100 holiday packages every day. MakeMyTrip attracts more than 3.5 million unique visitors every month. In financial year 2010, the company achieved approximate sales of Rs 22,000 crore (approximately U.S.$478 million), reinforcing its position as the market leader with 48 percent market share*. As business grew, so did the challenge of keeping the portal accessible to ensure a positive user experience, The legacy infrastructure that MakeMyTrip had in place struggled to cope with the added traffic. "It was unable to manage the traffic efficiently, and it was passing a lot of the load, such as session and connection management, back to the server, resulting in high drop-off rates," says Sanjay Kharb, Assistant Vice President – Technical Operations, MakeMyTrip (India) Pvt Ltd. "MMYT were also seeing heavy loads on the SSL server."

Having an agile IT infrastructure is vital for the company to meet its business objectives and gain an edge in a highly competitive market. To increase sales and revenue, it needed to increase user conversion rates. MakeMyTrip did so by delivering relevant content to its visitors, based on their

profiles, preferences, and locations. Because the portal gets incentives from airlines based on the number of hits with bookings, MakeMyTrip was looking for a way to reduce the number of users who use the portal only to perform searches, which results in no revenue.

"Some users visit the site in the morning and come back again in the afternoon to search for deals. In order to convert these visits to transactions, MMYT needed to track these cookies and users to determine if MMYT should offer better deals or give them something on their return visits," says Kharb.

*" With the F5 Application Delivery Controller in place, our system load has decreased by up to 30 percent and there are no more failures at the back end." - Sanjay Kharb, Assistant Vice President – Technical Operations, MakeMyTrip (India) Pvt Ltd*

The overall purpose of tracking users is to generate more business. Just a 1.5 to 2 percent increase in conversion rate (number of transactions vs. number of sessions) can amount to a great deal of additional revenue. MakeMyTrip's aim was to use technology to achieve the highest amount of revenue with the lowest amount of resources.
Being a technology savvy and forward-looking company, MakeMyTrip wanted to optimize its resources and achieve higher return on investment on its IT outlay. To achieve these, it needed a single solution that effectively served multiple purposes, such as load balancing, SSL VPN, and caching.

### Solution
Having benefited from using F5 solutions previously in his career, Kharb decided to consider F5 and a couple of other vendors to deliver the new solution. Each of the three shortlisted vendors provided a proof-of-concept based on MakeMyTrip's criteria of solving the traffic bottleneck problem, viability, and meeting the portal's long-term vision. "MMYT also wanted a solution that could give us technological enhancements such as web security and customizability," said Kharb. Following the proof-of-concept, F5 BIG-IP Local Traffic Manager (LTM) was chosen for its performance, versatility, and flexibility. The F5 BIG-IP platform is a cost-effective, intelligent Application Delivery Controller (ADC) that lets customers add on-demand capacity and processing needs as required by their users,

applications, infrastructures, and businesses. F5 ADCs are also modular, allowing customers to add new funcOonality—everything from **web security** to topologybased load balancing— enabling faster response to changing business challenges. Four of these Application Delivery Controllers were deployed at the portal's two data centers—one operational and the other as backup—at the end of 2008. The new devices deliver the inventory application, which was developed in-house based on Open Systems.

### Benefits
The F5 solution has enabled MakeMyTrip to handle its increased traffic, provide a better user experience while increasing revenue, and be poised to use additional F5 technology for future initiatives. **No more load balancing issue ,**According to Kharb, the company's web traffic problems were solved following the switch to F5. "We no longer have load balancing or SSL server overload issues. The F5 appliances have a capacity of 20,000 transactions per second on SSL, which is enough for us," says Kharb. "With the F5 BIG-IP LTM devices in place, our system load has decreased by up to 30 percent and there are no more failures at the back end. Drop-off rate went down by four to five percent."

### Higher conversion rate
MakeMyTrip has also been able to track users and their search patterns using the F5 easy-to-learn scripting language, iRules,® to customize how the BIG-IP devices intercept, inspect, transform, and direct inbound or outbound application traffic. This move has resulted in a higher conversion rate.

### Going forward
As part of its plans to enhance its services, MakeMyTrip is looking to upgrade its existing F5 ADCs to advanced F5 ADCs. These come with quad-core processors that enable support for multiple BIG-IP modules, such as BIG-IP® Application Security Manager™ and BIG-IP® WebAccelerator,™ within a single unified device. "MMYT are also experimenting with F5 geolocation functionality, which uses the location database to map IP addresses to geographical locations. That way, we can identify IP addresses and intelligently deliver customized content based on where the user is located," said Kharb. "F5 is not just a technology, it's a cost-effective, unified solution**."**

**Awards & recognitions**

Since 2000, MakeMyTrip has won several awards and accolades:

**Travel & Business**

o  1st Rank in Great Places To Work – 2010 (Industry – Professional Services)
o  2nd Rank in Great Places To Work – 2010 (India)
o  Superbrand India – 2009-10
o  Great Places To Work – 2009 (Industry – Professional Services)
o  Most Preferred/Best Travel Portal – CNBC Awaaz 2009
o  Most Visited Travel Website – comScore – 2005-09
o  Most Preferred Online Travel Agency – Travel Biz Monitor Survey – 2008
o  Number One Online Travel Agency – JuxtConsult – 2008
o  Red Herring 100 Asia 2007
o  Gold and Silver – Abby Award – 2006-07
o  Among the Top Ten Websites visited by Indians – comScore – 2007
o  Nominated World Travel Awards – Asia's Leading Travel Agency – 2007
o  Among 100 IT Innovators – NASSCOM – 2007
o  Best Online Travel Company – Galileo Express Travel World – 2007
o  Emerging India Award – ICICI Bank & CNBC TV18 – 2006
o  Asia's Hottest Technology Startup – Red Herring – 2006
o  **Airline Awards**
o  Air Canada – Outstanding Performance – 2008
o  Singapore Airlines – Top Passenger Agent – 2007-08
o  British Airways – Outstanding Revenue Contribution – 2007-08
o  Air Mauritius – All India Top Ten Agent//Top North India Sales Award – 2006-07//2007-08
o  Cathay Pacific – Outstanding Performance – 2007
o  Malaysia Airlines – Top Agent Award – 2007
o  Lufthansa – Outstanding Performance – 2006-07
o  Kingfisher Airlines – Outstanding Performance – 2006-07
o  Indian Airlines – Achieving Highest Domestic Passenger Sales – 2006-07
o  Air India – Outstanding Contribution to Passenger Sales – 2005-06
o  Jet Airways – Award of Excellence – 2005-06
o  Gulf Air – Continuous Support

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