

Analysis of MakeMyTrip, It's market presence, methods and outcome: A case study

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Abstract

MakeMyTrip Limited is an Indian online travel company founded in 2000. Headquartered in Gurugram, Haryana, the company provides online travel services including flight tickets, domestic and international holiday packages, hotel reservations, rail, and bus tickets. As of 31 March 2018, they have 14 company-owned travel stores in 14 cities, over 30 franchisee-owned travel stores in 28 cities, and counters in four major airports in India. MakeMyTrip has offices in New York, Singapore, Kuala Lumpur, Phuket, Bangkok, and Dubai. This research is on Indian startup involves understanding their methods to grow the outreach of their product and subsequently their business. Make My Trip is a text book example of how start-ups use wide methodologies in order to give the consumers what they want after good market research, and not the other way around. The report consists of their primary business details, their history, their product information, key decisions, lean-startup methods, marketing strategy, advertising information, monetary details, condition during the COVID'19 pandemic and much more. This is a comprehensive report on a startup that has managed its resources, both monetary and intellectual to good advantage and records well, their journey from the drawing board to a travel managing company with the largest market share in India.

1. Introduction

Nurtured from the seed of a single great idea - to empower the traveler - MakeMyTrip went on to pioneer the entire online travel industry in India. MakeMyTrip has revolutionized the travel industry over the years. This is the story of MakeMyTrip, India's Online Travel Leader.

MakeMyTrip.com, India's leading online travel company was founded in the year 2000 by Deep Kalra. Created to empower the Indian traveler 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. MakeMyTrip has offices in New York, Singapore, Kuala Lumpur, Phuket, Bangkok, and Dubai.

2. History and Inception

The idea for starting up erupted while Deep Kalra found himself wondering about the endless possibilities of the internet while trying to sell his wife's car online. While booking a holiday to Thailand, he realized that the internet could offer more competitive prices by cutting out the middleman. Prompted by this thought, Deep founded MakeMyTrip.

MakeMyTrip rose their first Series A funding of \$10 million in 2005. Then they raised another funding of \$13 million in 2006. And then again, \$15 million in 2007, a Series C

funding. However, in 2016, the company launched their IPO. They received \$180 million. Later, they launched another IPO in which they raised \$330 million. It was in 2017 and the company had no other funding activity since then.

2.1 Products

MMT services offerings include Airline tickets, hotel reservations, holiday packages, railways tickets, bus tickets, car rentals, customer care support, etc.

It can be broadly categorized into three sections:

a. Air Travel

It includes

- Domestic flights in India
- International flights from India
- Inbound - Overseas to India

Air travel constitutes 77% of the net revenues of MMT. Their major share of transaction traffic is online with only 5% offline transactions.

b. Hotel and Packages

It includes:

- Hotels - Domestic and international
- Packages for conferences and event (domestic and international)

It constitutes 20% of the net revenue. The majority of transaction traffic is offline with a 60% share.

c. Other Segments:

It includes:

- Bus, rail, car
- Ancillary services/products

It contributes to only 3% of net revenue.

3. Product model

In a broader sense, a business model is described as a plan of any business or company of how to make a profit for their organization. It includes identifying the products or services for sales, the target market or customers, and anticipating expenses or costs. All in all, a business model of an organization defines its way of making money. It explains that at a particular cost, how an organization can earn profit by delivering maximum value to its customers.

MakeMyTrip works on B2C (Business to customer) business model in which they facilitate their customers through booking their tickets online as it only requires a single click of the mouse to avail of a wide range of products and services of the brand. A Business model of any business includes below main elements:

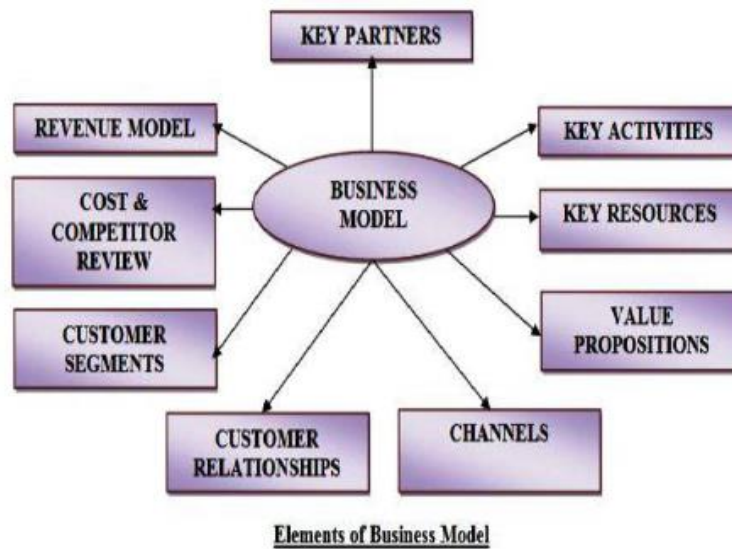


Figure 1: Business model distribution

MakeMyTrip works on B2C (Business to customer) business model in which they facilitate their customers through booking their tickets online as it only requires a single click of the mouse to avail of a wide range of products and services of the brand. To save the valuable time of their customers in planning for holidays, they also offer different holiday packages. Other than the B2C business model, MakeMyTrip has also launched the Maybes model to extend its services for corporate travels. Businesses are able to manage their travel schedule and accommodation facility for their employees using different features of MyBiz like single dashboard system, Central payment processing through MyBiz wallet, and quick refund facility to MyBiz wallet on booking cancellations, etc.

3.1 Value proposition

1. The core value proposition of MakeMyTrip is the best deals that it provides to its customers at their convenience.
2. It offers effective, reliable services to its customers and also, incorporates the latest and advanced technology in its business.
3. Besides providing economical air tickets it believes in providing a great experience to its customers.
4. Customers are able to save their precious time as MakeMyTrip.com website of the brand provides the advantage of listing all available services or options at a time.
5. Customers can make changes and cancel the booking anytime as MakeMyTrip provides very flexible services.
6. Payment services are also extremely smooth as various payment options are available like debit cards, net banking, credit cards, etc. and also, most of the banks are on board.
7. E-transaction service facilitates customers to get the refund of money by automatic transfer of the amount back to the same account.
8. Apart from above, MakeMyTrip also offers a lot of value-added services like attractive discounts and offers on different bookings.
9. MakeMyTrip offers back-up to its customers that make it unique from other online travel agents i.e.
10. Special discounted prices at premium hotels are also offered.

11. To handle travelers professionally in destinations, the brand also offers partnerships with tour agents who are local to those destinations.
12. To encourage repeated travelling, it provides on-tour freebies for these repeat travellers.
13. To book a hotel, flight, and holiday on mobile or desktop site is a great experience for customers as one can do the booking quickly in a hassle-free manner. The attractive features of MakeMyTrip services like quick discounts, My-Reward and My-Wallet facilities, Fare Calendar, and other facilities do value-addition to its products and services. Thus, the brand is continuously offering the best services to its customers.

4. Marketing strategy

4.1 Funding

MakeMyTrip's first series funding of \$10 million was raised in 2005. After that in 2006, the company raised the next series of funding i.e. \$13 million. Further in 2007, one more series of funding of \$15 million was generated. The brand received \$180 million in its IPO which was launched in 2016. In another IPO in 2017, \$330 million were raised. The brand raised a total of \$548 million in funding in 5 rounds.

4.2 Revenue generation

The Air ticketing segment of MakeMyTrip generates revenue through the sale of domestic and international air tickets to customers on an internet-based platform. Hotel and holiday package segment contribute to revenue by providing hotel reservations and holiday packages by using the internet-based platform. Other revenue generation segments include income from advertisements by displaying advertisements on websites, revenue by selling bus and rail tickets, also, income from providing access for the website to a travel insurance company. Hotels and holiday packages segment which is a non-flight business; is of higher-margin category as compare to airline ticketing, and by contributing 54 percent of total revenue; this segment is the highest revenue contributor of the brand. With a market share of 24 percent, MakeMyTrip has secured a leadership position in the market segment of domestic flight ticketing. The company is able to maintain its net worth at the high end. The transport segment also contributes to a great margin in revenue generation. Red bus, which is a subsidiary and bus transport company of MakeMyTrip, has recorded a growth rate of 35 percent YOY basis. The company has recorded vigorous growth in Quarter 1 of FY2020. As per the company, air business contributes 35 percent in total revenue, and the bus transport segment generates 10 percent of the revenue. The company has also started an intra-city cab facility in selected locations. It generates revenue through rail tickets as it has an association with IRCTC for the same. To widen its revenue generation segments, the brand has also introduced weekend travels, other activities, and events. Domestic travel holds the top position in air ticket revenue i.e. 60 percent share. Similarly, 85-90 percent revenue of the hotel business is from domestic travel. MakeMyTrip has generated revenue of \$146.9 million in the third quarter of FY 2019-2020 wherein, it was recorded \$118 million in the second quarter of the same financial year. Also, losses of the company are reduced by 50 percent in the third quarter of FY2020 in comparison with the third quarter of FY2019. The overall revenue of FY 2019-2020 is \$526.8 million.

5. Campaign

The campaign curated by our student is called MakeMyTrip Land or simply MMT Land. The basic ideology behind this Make My Trip marketing strategy is to target all those half-made and never-successful plans that college-going kids and working freshers make.

This campaign is here with a group that offers that even the introverts of the group cannot refuse and make memories out of the “Goa Trip that never happened”.



Figure 2: Logo and marketing phrases

Though MakeMyTrip already offers a lot of daily coupons, the communication of the same is very family-oriented and this campaign makes it more youthful and dynamic. The digital marketing campaign focuses on setting up VR Booths where three people can enter at once and experience a “friend-cation” at one of the 5 spots that come at the top of a college student’s travel list- Goa, Thailand, Manali, Rishikesh and Leh. The student will experience the temperatures, sonic range, and activities virtually after which he/she will exit the booth from a walkway tunnel from the other side which is divided into 5 sections catering to the 5 destinations. They can click pictures, make boomerangs or videos within the tunnel and post them up with a cool hashtag for a feature on our page. This will ensure that MakeMyTrip deviates from the business-trips or family vacations and inculcate a trendy friend-cation vibe in its communication.

5.1 Target Audience and buyer persona

This MakeMyTrip project focuses on acute market segmentation. The target audience chosen is a very specific age group. The consumer survey circulated to collect insights and determine the pain point was sent to young adults, college students, and everyone between the age group of 18-24. After receiving around 65 responses a buyer persona was based upon the collected results.

The primary and secondary buyer personas are both college-going students, fest enthusiasts, young-adults, interns, freshers, and full-fledged employees between the age group of 18-24.

The main point of difference between the two personas is gender. The students have gone with this make my trip marketing strategy mainly because since this campaign is going live in India’s college fests. Females make sense as the secondary audience as unfortunately, they do have permission issues and a lot of other personal factors to consider before planning a trip with friends and colleagues- which may, in turn, be a hindrance to a direct sale. Males, on the other hand, do not have as many factors to consider and are easier to sell the idea to.

Following are the primary target audience:

- Age of 24-44
- Who are married
- With monthly salary of Rs 30,000 plus
- From families who are internet savvy
- Transacted on internet before
- Deal hunters

➤ Early adopters

5.2 search Engine Optimisation (SEO)

The online activities focus on boosting MakeMyTrip's digital marketing as a complement to the offline campaign by using all the content collected on-site to create some noise among the younger generation online.

The SEO strategy that the students have used for this campaign mainly focuses on targeting keywords extensively so they can penetrate almost every niche that a millennial lookup on Google.

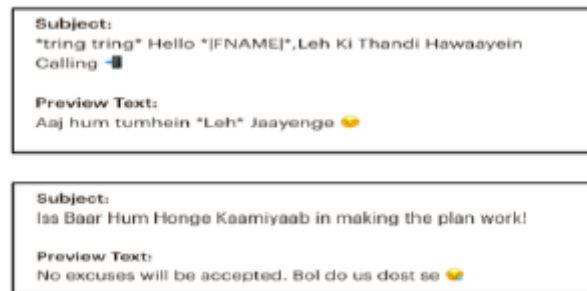


Figure 3: Marketing content sample

As an example, 85 keywords are listed in the presentation and the same has been broken down into Generic, Competitive, and Branded keywords.

The resultant meta-tags will have a quirky tone which will ultimately take them to the landing page showcasing what their 'friend-cation' could look like if they book with MakeMyTrip.

Along with search engine activities, they will step up their Instagram, Facebook, and Twitter communication through organic posts that follow recent social trends and communicate with the lingo of the younger generation. The focus will mainly be on Instagram and Facebook since the target audience flocks there.

5.3 Email marketing

The e-mail marketing strategy undertaken by the students includes reminder e-mails with catchy subject lines and descriptions. Out of all the e-mails sent out, some will have a link to the landing page, some to the blogs, and others to video montages made of the offline activity done at various college fests.

5.4 Endorsers and influencers

Social media strategy and marketing come into play here. MakeMyTrip signed up with the energetic duo of Alia Bhatt and Ranveer Singh in February 2016 and have filmed several humorous and witty television advertisements with them which speak to the young and old audience alike. This is the reason why our students did not change the endorsers of the brand and planned to make a series of video ads to coincide with their campaign and promote them across YouTube, Facebook, and IGTV.

The ads will be in a "to-be-continued" format where Alia and Ranveer will narrate their "MMT Ke Kisse" or Stories with MMT to their grandchildren and show flashback memories. These stories will feature each of the 5 destinations targeted by our students.

For influencer marketing, our students have gone with two main methods of operation. Firstly, whichever college fests will be targeted, they will have a set of "popular kids" or "cool gang" like every college does. They will be taken as micro-influencers and given

referral codes to go on a trip to any of the 5 destinations targeted, post pictures and use our hashtags (#Friencation #BeTrippin) and ultimately stoke their friends to take a trip and follow the cool-kid trend. These college-students normally have a large follower base and network of other college-going children which will help in pinpoint targeting at minimal costs.

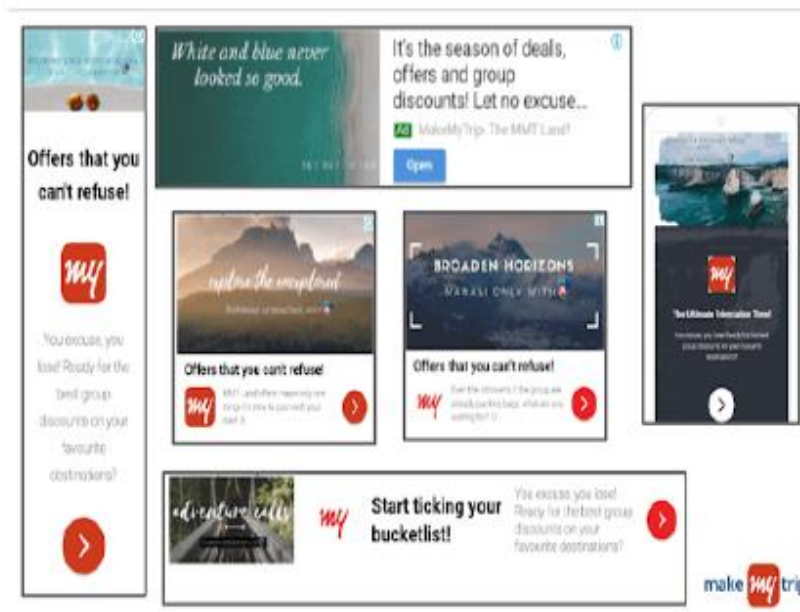


Figure 4: Posters

5.5 Content congregators

Along with Google display ads and banner ads which will lead to the landing page upon receiving a click, our students have targeted innovative keywords like **“what should I do after 12th”** **“I need a break”** **“what to do when I’m bored”** **“courses after 12th commerce/science/arts”** etc so that when the target audience Googles these keywords, the MMT Land meta tags and display ads appear.

The content creators that our students plan to rope in include BuzzFeed, FilterCopy, Mad over Marketing, Social Samosa, JordIndian, ScoopWhoop etc. These names are big among the target audience chosen and will create blogs, quiz, memes, video content and native communication revolving around the MMT Land campaign to create buzz and spread awareness to spark the required consideration and ultimate action.

5.6 Innovation

Along with the main campaign, our students have thought of an innovative campaign to leave no stone unturned. Since the main campaign focuses on tier 1 and tier 2 college flagship events and university fests, in the innovative campaign all the tier 3 colleges and schools are to be targeted.

In this campaign, a school bus which is totally revamped according to the MakeMyTrip theme will be sent out and after a day full of engaging activities and prize-winning, MakeMyTrip will ask all the students to write down their dream destination and one activity that they always wanted to do there, for example- deep-sea diving at the Maldives or cycling across the plains of Kerala.

After collecting all the wishes, MakeMyTrip will announce 5 lucky winners and fulfill their wishes!

6. Statistics and general methodology

6.1 Market share

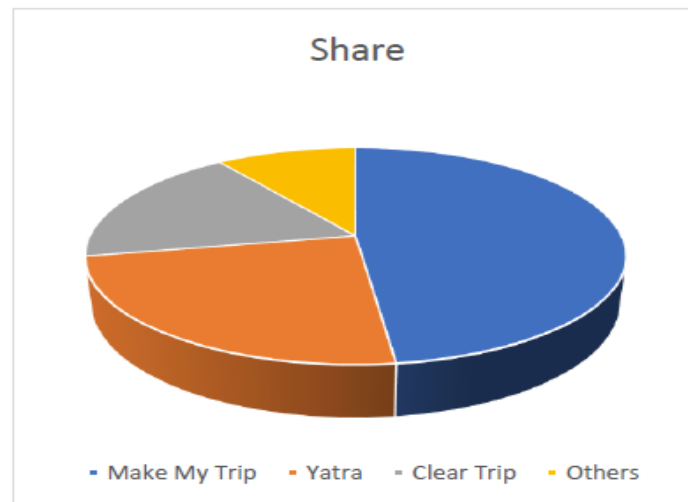


Figure 5: Market share

6.2 Customer segments

The customer segment of MakeMyTrip includes customers of all age groups, especially internet users, and youngsters. Corporate customers are also part of their corporate travel segment, especially SMEs (Small and medium enterprises).

6.3 Key partners

Different investors who have funded MakeMyTrip time to time are key partners of the brand. These include Tiger fund, Helion Venture Partners, SAIF Partners, Sierra Ventures, Ctrip, etc. These firms invest in the company from time to time.

6.4 Key resources

The key resources behind the growth and success of MakeMyTrip are its human resources and other organizational resources.

6.5 Human resources

The sustainable competitive advantage of the brand is its people or human resources. The workforce of the company is autonomous and independent. The team members are like-minded young techies who possess both managerial and technical skills. Another key resource of the company is its proprietary technology, which has the capability of a good search engine. Being user-friendly platform technology, it provides offers based on the best comparison. The use of mobile technology for sales and service is the main element in the success of MakeMyTrip. The policies of the brand also play a crucial role in its success like the recruitment policy of the company focuses on recruiting the best talent carrying specific domain-specific skills so that site visitors are served with highly customized and customer-centric solutions.

6.6 Key activities

Different key activities of MakeMyTrip include booking of the air, bus, rail tickets, hotel booking, holiday packages, car hire, etc. Other travel-related services that are offered by third party vendors like travel insurance and visa processing are also accessible through the company. MakeMyTrip lets the users book air tickets, bus tickets, buy holiday packages, book hotels and accommodations and hire a car. Through MakeMyTrip, users can also access other travel-related services provided by third-party vendors like visa processing and travel insurance.

6.7 Channels

Different channels of MakeMyTrip are its websites, through which travellers can search, book, plan, and buy lots of travel-related products and services. These websites include MakeMyTrip.com, easytobook.com, hoteltravel.com, etc. Other channels are distribution channels that are technology-oriented like travel stores, call centres, the network of travel agents, and mobile service platform.

6.8 Customer relationship

MakeMyTrip focuses on long term customer relations as their services are more customer-centric. It handles different issues or queries of customers by themselves rather than passing them to other agents. The company constantly improves its customer support services by adopting advanced and latest technology. For better customer service and their convenience, the company has introduced three customer service channels i.e. call centre, chatbots, and in-app self-service facility. Customers can easily reach to the company for any query using these channels. The chat interface of MakeMyTrip i.e. Myra and Gia are in-house developed chatbots that are in natural language and advanced too. These have self-learning capabilities to cater to the specific requirements of customers of the industry. More than 80% of queries of customers are being addressed by these chatbots and rest is taken care of by an offline human agent.

In its call centre customer care service, an in-house CRM tool is designed i.e. MyDesk. It provides seamless integration of chat and voice channels with analytical tools and dashboards. This empowers agents by providing necessary tools and information to deal with queries of customers effectively. "Trip ideas" is another feature that is developed to facilitate travellers in making decisions related to travelling by guiding them in trip planning, destination discovery, and identification of personal travel interests. One more similar feature "Trip Assist" acts as a personal travel assistant to customers to assist them during their whole trip. Similarly, "Trip Money" is there to support customers to take loan approval for buying their desired tour-package.

6.9 Key growth

1. MakeMyTrip initiated its operations in 2000 as an online travel portal which was specifically focused on the travel market of US-India.
2. In India, it started operations in 2005 and also, received major first stage funding from SAIF partners i.e. the US \$10 million (Rs. 44.28 crores).
3. Domestic holiday tour packages were launched in 2008 for hotel searches and Indian travelers.
4. In 2009, the brand extended its services into bus ticketing and provided the facility for multi-city booking reservations. It launched makemytrip.ae for Emirates markets.

5. It secured 2nd rank in a survey of “Great places to work” in 2010.
6. In 2016, the merger was announced with Goibibo, which was one of the biggest competitors in the online travel business market, and in 2017 the consolidation with Goibibo happened. It became the biggest merger in the travel industry.
7. In 2019, acquisition of a major stake of Quest2travel.com took place by MakeMyTrip limited, and also, a digital campaign was launched and named as #MyIndiaMyTrips.

7. Key decisions

1. Expand hotel and packages
2. Expand service and product portfolio to enhance cross selling opportunities
3. Expand travel agents’ network
4. Enhance service platforms by investing in technology
5. Spandex geographic markets
6. Pursue selective strategic partnership and acquisition

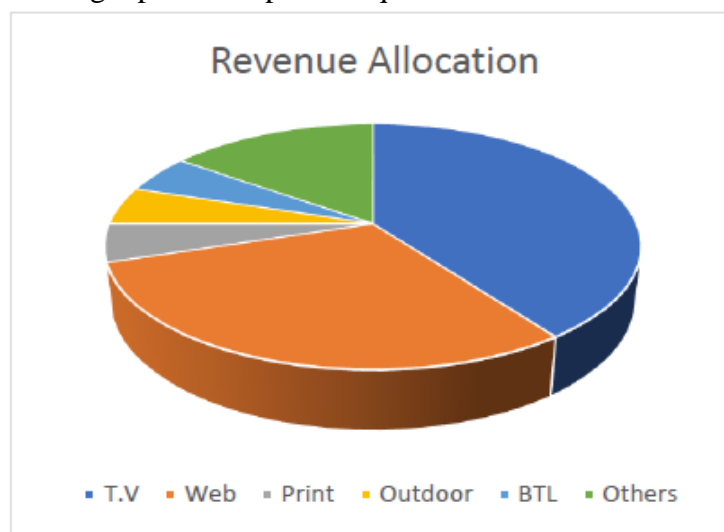


Figure 6: Revenue distribution

8. MakeMyTrip during COVID pandemic

- Covid19 made the world to suffer a very bad situation. All over the world covid19 affected really badly. Many were affected by covid19. Most of them survived, but some of them lost their lives.
- Covid19 affected most of the country’s economy. Their GDP went down to negative also. Lock down, health issues, joblessness everything affected people and countries very badly. So many businesses shut down for ever. It created a lot of jobless people in country. Likewise Make My Trip also got bad effects due to covid19.
- Make My Trip (MMT) is an online business startup. It was formed in 2000. But till this time, they didn’t much affect by anything else like covid19. On march 25 India government declared complete lockdown for 21 days. All domestic and international flights stopped their services. Hotels and resorts closed. Every industry got shut down for 21 days. But the lockdown extended up to a period of 60 days in restricted manner to prevent covid19.
- Make My Trip suddenly stopped all its functions and also the booking was cancelled. They announced discounted hotel accommodation to doctors in cities and tourism ministry has launched a website to support stranded foreign travellers as the country witnesses 21-day lockdown to battle Covid-19 crisis.

- Make My Trip said it launched the initiative to support temporary accommodation needs of medical frontline staff fighting Covid-19 and will enable them to book from over 900 hotels across 200 cities at discounted rates.
- In a statement, Make My Trip executive chairman Deep Kalra said, "We are grateful for the courage shown by healthcare workers and we want to assist them by providing comfortable and subsidised accommodation options to these heroic first responders."
- With most of the countries are under lockdown due to the coronavirus pandemic, online travel aggregators such as MakeMyTrip (MMT) have been severely impacted. Notably, the share price of MakeMyTrip declined from \$29.95 on February 12 to an all-time low of \$10.8 on Thursday, March 18.
- In response to this situation, MMT's founder and executive chairman Deep Kalra and CEO Rajesh Magow, on Tuesday (March 24), shared a revival plan with the company's employees.
- In a letter, they said that the company is reviewing its operating costs. MakeMyTrip is also planning to undertake multiple tough measures to minimise the overall expenses. "Being an online company, the majority of our costs are variable, however, the situation demands that we take a hard look at all our fixed costs including people costs," the letter read.
- Some of the measures shared by the top executives of the company include reducing variable costs such as advertising, sales promotions and payment gateway costs, along with optimising IT infrastructure and expenses relating to the functioning of our offices and other establishments. The company is also cancelling all the scheduled events, training, etc. MMT is also suspending all the brand-building expenses in the following quarter as well. "There has been a sharp drop in bookings with cancellations and the latest restrictions on domestic air/rail/bus travel has brought our industry to a virtual standstill," the letter read.
- Additionally, the company is also reducing the costs on employee front as well and to set an example both Kalra and Magow are not taking any salaries effective April 2020.
- Rest of the leadership team have also offered to take approximately 50% in their compensation. "All of the above makes us confident that we would together be able to weather this storm and come out stronger," MakeMyTrip's top executives said.
- MakeMyTrip (MMT) will laid off around 350 employees, comprising 10% of the workforce, citing slowdown in the business due to global travel restrictions to contain the spread covid-19.
- He added that all affected employees will be provided medical coverage along with their families till the end of the year. The company will also ensure gratuity payments, and outplacement support for all the 350 employees. Before the move on layoffs, the online travel company in April had furloughed salaries of 3,000 employees. Before the move on layoffs, the online travel company in April had furloughed salaries of 3,000 employees.
- "The message is loud and clear that this industry that contributed at least 10 per cent of GDP, employs more than 10 per cent of our people - this industry is going to be on its own and needs to take care of itself. We need an approval to start functioning," Mr Kalra said. India's COVID-19 economic rescue plan, billed as a ₹ 20 lakh crore stimulus, rests mostly on boosting company credit but contains scant new public spending, tax breaks or cash support to revive demand and prevent firms from collapsing, business leaders and economists have said. The start on 25 May of flights is very encouraging and it is only logical that the other constituents of the industry are allowed to function. People need to stay somewhere when they travel. When the

wheels of the industry start moving, only then we can contribute to the economy, "We need ensure that the people in this industry hold on to their jobs and are productive and busy. It is critical that this industry is allowed to function now," he added.

- Currently they are giving so many offers to their customers. They are giving 100% ticket fares while cancelling air tickets or bus tickets. As per government directions hotels and resorts are open now under covid19 protocol. People are started to go for holidays for a short period. Also, international flight services are also started in short manner. So MMT is offering international holidays for customers. From unlock 5.0 guidelines hotels and resorts in domestic are open. They are offering 25% off on bookings. Also, they are providing coupon codes also with various banks.

9. Conclusion

From current statics it shows Make My Trip is being recovered from the covid19 impact. Deep Kalra and CEO Rajesh Magow, worked without income for months in covid19 situation. Now they are getting more business with partnership of other business and start-ups.

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