

FINAL PROJECT REVIEW

Course Name : **BASICS OF MANAGEMENT**

Course Code : **MGT201**

Group Number : **63**

Section : **S-6**

Group Members:

<u>ENROLLMENT</u> <u>NUMBER</u>	<u>NAME</u>	<u>SEMESTER</u>	<u>STREAM</u>
U101115FCS283	Rishabh Kumar Kandoi	4 TH	CS
U101115FCS209	Sachin	4 TH	CS
U101115FCS305	Shailesh Mohta	4 TH	CS
U101115FCS281	Siddhant Shekhar	4 TH	CS
U101115FCS214	Simran Tiwari	4 TH	CS

COMPANY :



MakeMyTrip

Founded and Incorporated - April 28, 2000.

Headquarter - Gurgram, Harayana, India.

Founder and CEO – Deep Kalra.

Ownership Type – Public (Listed at NASDAQ: MMYT)

About MakeMyTrip(MMT)

MakeMyTrip.com, India's leading online travel company. Enamored by the Internet and frustrated by how hard it was to travel in India he opened MakeMyTrip.com.

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

*After positioning itself as reliable & customer oriented brand in India, MMT started their operations in USA in 2005. The company got listed on **NASDAQ** & from beginning only, it was a great success. By September,2010 they were also able to reach the mark of 1 billion\$ in total value.*

Reference :

https://www.makemytrip.com/about-us/company_profile.php (16/2/2017)

<http://in.reuters.com/finance/stocks/companyProfile?symbol=MMYT.O> (16/2/2017)

VERTICALS, PRODUCT(SERVICES) LINES

MakeMyTrip (MMT) offers a comprehensive suite of travel and travel-related services and products. The company's 2 primary lines of business are air ticketing & hotels and packages. Additionally, it also provides rail tickets, bus tickets, car hire, & ancillary travel services, like travel insurance & visa processing.

Air Ticketing Business

The air ticketing business is primarily **targeted at domestic *travel within India & international travel to/from India**. Over FY10-F13, MMT's domestic air travel transactions have increased at 29% CAGR to 3.4m, whereas international travel transactions have risen at a 39% CAGR to 0.35m. MMT has real-time access to inventory of all major (full-service and LCC) domestic airlines & international airlines flying India routes either *through a GDS (primarily Amadeus for the company) or either direct connects to airlines' booking systems. The company's net revenue margins in the air segment have been *quite volatile because of the *changes in the commissions earned from airlines. This, we believe, reflects the *relationship dynamics between carriers & OTAs.

Hotel Booking Business

The company provides access to over 11,400 hotels and guesthouses in India and 144,000+ hotels and properties outside India. In India, only ~15-20% of the empaneled hotels belong to hotel chains, and the rest are independent hotels (~75% of the market). The company procures room inventory through the three methods – Direct Connect with Hotels, Direct & through other Aggregator service providers. In peak season, the company does selective pre-buying in order to assure room availability, but generally it doesn't take inventory risk.

Packages Business Of MakeMyTrip

The company offers pre-packaged vacations which are comprised of packages put together internally and precisely, by *GDS service providers, & from other group of travel service *providers. These are classified under 4 headings,

- Domestic packages: Escorted tours, honeymoon specials, weekend breakaways, and around vacation themes (beach, adventure, family, pilgrimage, etc.)

- *Flight plus hotel: Airlines and hotel combos for a trip*
- *International packages: Pre-designed independent packages, customized independent vacations/ group tours, and pre-designed escorted tours*
- *MICE (Meetings, Incentives, Conferences, Exhibitions and Events): Targeted at Corporates to cater to Travel services for large groups of travelers*

Other Services & Products of MakeMyTrip

- ***Rail Tickets:*** *Indian Railway's passenger reservation system has provided MMT with "direct-connect" access to enabling real-time purchase & reservation of rail tickets through MMT's website*
- ***Bus Tickets:*** *MMT also has arrangements with all major bus operators in India & Singapore as well *as with other aggregators and intermediaries for the sale of bus tickets.*
- ***Car Hire:*** *It offers car hire services together with its bookings of holiday packages.*
- ***Ancillary services:*** *These include visa processing services, travel insurance, and telephone calling cards*

The online travel market in India, underpinned by strong structural drivers, is poised to grow at healthy rates. As a well-entrenched first-mover, MakeMyTrip is well-placed to ride this growth.

Means of accessing the products offered

*Through its primary Website, **www.makemytrip.com**, and mobile platforms, travelers can research, plan and book a range of travel services and products in India, as well as overseas.*

Geographical Locations

The Company sells travel products & solutions in India, US, Singapore, the Netherlands, the United Arab Emirates, Malaysia and Thailand.

As of 31st March, 2016, it had 16 Company-owned travel stores in 14 cities, including one in its office in Gurgaon, 49 franchisee-owned travel stores, which primarily sell packages in 43 cities, and counters in four airports in India.

BUSINESS IDEA

*In the meeting with the key members, a decision was taken to launch the India website in September 2005. Kalra believed that the for travel products/services in India had a strong indication of a healthy growth. There was a compelling need to provide a platform for buying & selling travel products or services. MMT identified the gap b/w demand and supply & decided to offer a user-friendly & convenient online interactive interface to the consumer. The company received an investment of about US \$8 million from the renowned SB Asia Infrastructure Fund (SAIF), a leading Asian private equity firm. Kalra justified his decision to start operations in India thus: "The launch of MMT India was not really a shift of focus; we wanted to launch the India business because the time was just right." Low-cost carriers (LCCs) had made air travel cheaper than before, thus opening up the market wider for air travel & leisure holidaying beyond visiting family & friends. The young India had more disposable income and a greater desire to travel. The airlines' move to e-ticketing also paved the way for all travel e-commerce. The travel market, so, was ready to evolve to next level (online) and MMT was preparing to launch at the most *opportune time. As the first & only comprehensive online travel site with booking for flights, hotels, holidays, and cars in real time, MMT was already in the process of bringing a great revolution in the way the travel products were bought in India.*

BUSINESS MODEL

Founded in 2000 by Mr. Deep Kalra, MakeMyTrip, India's largest online travel agency has shown its girth in the market time and again. It survived a financial slowdown and also kept afloat in the 2003 SARS (severe acute respiratory syndrome) scare that tanked many other competitors.

The company started with the idea that it has a major market aviation reservation industry. In 2010-11, the company earned 80% of its revenue from online air-ticket bookings and cancellation. The rest was through hotel bookings and travel packages.

But the reason behind MakeMyTrip's success was their adaptive nature. Adaptation to the dynamic market of the 21st century. The company's financial advisors proposed a business model where more emphasis was given to hotel and tour industry instead of being a middleman to the aviation industry. "Pure air ticketing offers single digit margins, while hotels and packages offer relatively higher margins in double digits. Also, on the hotels and travel packages side, you have more firms that help diversify the business than present there on air ticketing side." Rajesh Magow, CEO India said.

India saw a spike rise in internet users in 2015, the highest in the country's history. Internet users rose by 40% across the sub-continent to a massive of 277 million users. In the same financial year, 2015-2016, MakeMyTrip made 50% of its revenue from hotels and packages. The company's analysis turned out to be forthcoming in the industry. Further in the model, in initial stages, the company focused more on tour packages than on hotels. Later the company switched its focus majorly on the hotel industry as it believed it had more to gain on that than on tour packages. CEO India, Rajesh Magow said that the company's vision for next 2 to 3 years will be to raise that revenue divide by raising 70% of its annual revenue by hotels and tours. This doesn't look like a distant dream seeing the Ericsson report of 2016, which states that the predicted number of internet users in India will be nearly 820 million by 2021, a four-fold growth from now.

CHRONOLOGICAL MILESTONES

- In 2000** → *MakeMyTrip was launched in the US market to cater to the overseas Indian community for their US-to-India travel needs.*
- September 2005** → *MakeMyTrip started its Indian operations, offering online flight tickets to Indian travelers. The company also started to focus on non-air businesses like holiday packages and hotel bookings.*
- In 2008** → *MMT recorded sales of Rs. 1000 crore and break even.*
- On 13 August 2010** → *MakeMyTrip was listed on the NASDAQ and went public, making a debut in the market of United States.*
- In 2011** → *Several **travel-related Apps** for all types of mobile devices (smartphones and basic cellphones) were created.*
- In the same year** → *MakeMyTrip also made three acquisitions, namely, **Le Travenues Technology Private Limited** (Gurgaon, India), **My Guest House Accommodation** (New Delhi, India) and **Luxury *Tours & Travel Private Limited** (Singapore).*
- In 2012** → *MakeMyTrip's other acquisitions include travel operators like **Hotel Travel Group** & **ITC Group** to enter new markets in the region of South-East Asia.*
- In February 2014** → *MakeMyTrip acquired **EasyToBook**, an *Amsterdam-based hotel booking portal to strengthen its online hotel *bookings segment, & also target inbound customers traveling to Asia.*
- In September 2014** → *MakeMyTrip instituted a ***\$15 million* innovation fund** to support the early stage companies in travel space.*
- In June 2015** → *MakeMyTrip invested **\$3 million in Inspirock**, a vacation itinerary planning website to improve trip planner.*

- In April 2015** → *MakeMyTrip acquired **Mygola**, a travel planning website. *The acquisition was done through the innovation fund and as part of the acquisition, MakeMyTrip team absorbed all the employees of MyGola under their own company.*
- In July 2015** → *MakeMyTrip invested in travel information and hotel review portal, **HolidayIQ** to pick up **28% stake** in the company.*
- In the same month** → *It also invested ***\$5 million*** in **Bona Vita Technologies**, a start-up in the travel industry, which plans to utilize the funds to build innovative products.*
- In November 2015** → *MMT launched a new offering named as **Value+**, in the quality budget hotels category.*
- In 2016** → *A Chinese travel booking giant, **Ctrip** agreed to invest **\$180 million** to MakeMyTrip.*
- In January 2017** → ***MakeMyTrip and Ibibo Merger.** This merger is through in a stock transaction, representing the coming together of India's largest travel booking portals. The deal that may be valued at ***\$1.8-2 billion***, in which **MakeMyTrip** will acquire rival **Ibibo** in what has been pegged as the biggest acquisition in India's online travel space. At the closing, ibibo shareholders will get a 40% stake, whereas MMYT shareholders will own 60%, making Naspers & Tencent the single largest shareholder in MMT.*

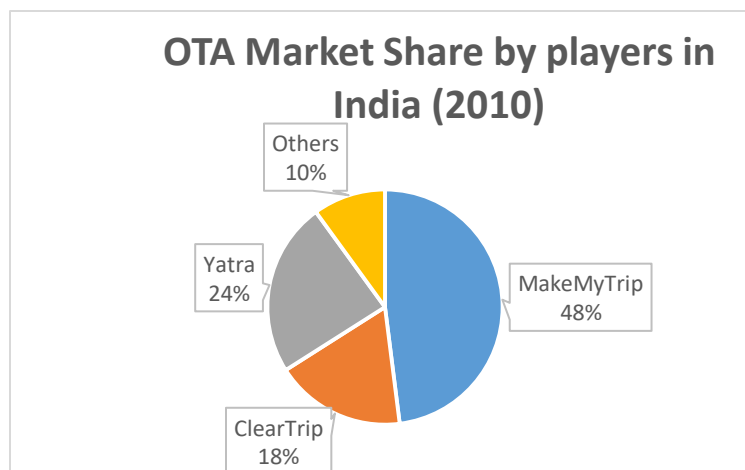
Reference : <https://en.wikipedia.org/wiki/MakeMyTrip>

(16/2/2017)

INDUSTRY AND COMPETITIVE SCENARIO

MMT was started at the time when the Online Travel Agency (OTA) industry was totally new in the market. So initially, it gave a very good start to MMT, as there were hardly any competitor for them. But now, this industry has grown very wide with lot of agencies coming up. Due to major shift of bookings made offline to online, and with high internet penetration in richest economies, 53% of all travel is booked online now. According to 2010 data, Indian travel and tourism market is 42 billion USD industry growing with a CAGR of 10.2% over the next 10 years.

The market leaders in this sector are Expedia, Priceline and TripAdvisor. Though MMT could make it to top 10, but it has to compete with new and more influential competitors to maintain that position. To list out, some of its competitors are Golbibo, Cleartrip, Yatra, Thomas Cook and Travelocity India.



REFERNCES (till now) :-

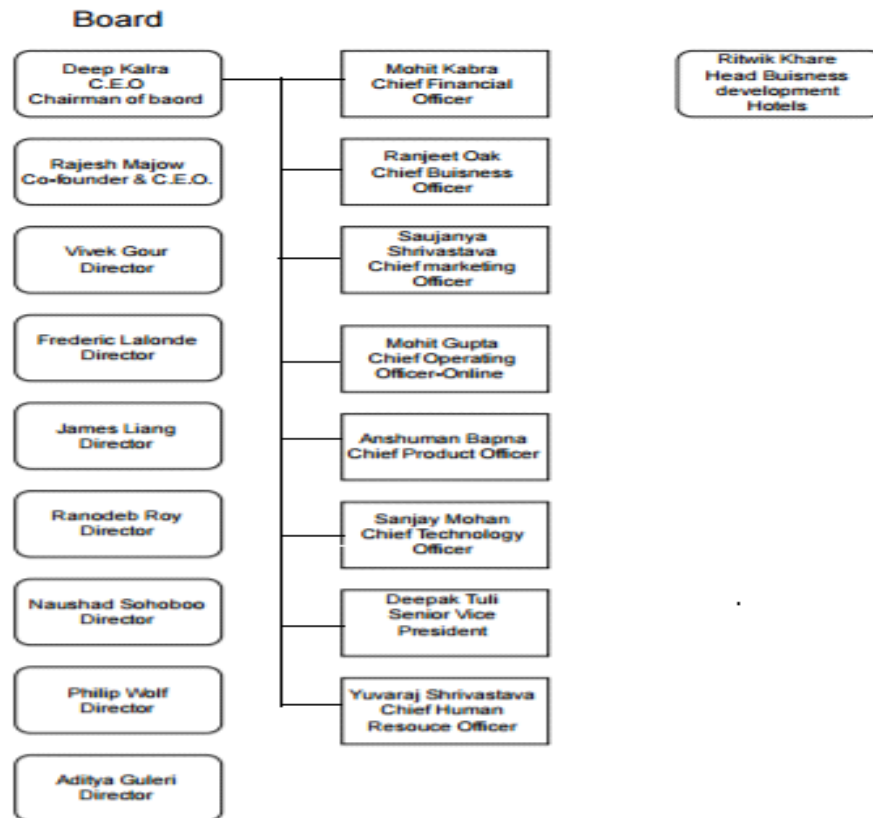
<http://www.bloomberg.com/research/stocks/private/people.asp?privcapId=22476085> (16/2/2017)

<http://topyaps.com/top-10-travel-companies-in-india> (6/4/2017)

<https://www.forbes.com/sites/greatspeculations/2015/09/30/an-update-on-the-online-travel-agencies/#9994620392b0> (6/4/2017)

<http://redseerconsulting.com/sites/default/files/India%20Online%20Travel%20Market.pdf> (4/4/2017)

ORGANISATION STRUCTURE



Deep Kalra is the founder, Group Chairman and Group Chief Executive Officer, and was appointed to the board of directors on October 9, 2001. Mr. Kalra's responsibilities are executing the business strategy and managing the overall performance and growth of the company.

Aditya Tim Guleri was appointed to the board of directors on April 3, 2007 as a nominee of Sierra Ventures VIII-A, L.P., Sierra Ventures VIII-B, L.P. and Sierra Venture Associates VIII, LLC. he is the boards of director of various companies that Sierra Ventures invested in, He provides operational and financial guidance to the companies.

Philip C. Wolf was appointed to the board of directors on 20 July 2005. Mr. Wolf is president and CEO of PhoCusWright, a travel industry research firm which was founded in 1994. Prior to founding the firm, he was president and CEO in a venture-funded software developer and travel booking engine pioneer which held two patents for its pricing algorithms.

Vivek N. Gour was appointed to the board of directors on May 1, 2010. Before joining the company, Mr. Gour was the C.F.O. and principal accounting officer of Genpact Limited from January 2005 to February 2010; Genpact is listed on the New York Stock Exchange. From October 2003 to December 2004, he served as C.F.O. for GE Capital Business Processes. From October 2002 to September 2003, he served as C.F.O. of GE Capital India and GE Capital International Services, and from August 2001 to September 2002

Frederic Lalonde was appointed to our board of directors on December 18, 2006. Mr. Lalonde is the founder, director and chief executive officer of Openplaces Inc., a privately held company which runs www.openplaces.org, a travel database website. Prior to founding his own company, Mr. Lalonde worked at Expedia Inc. for 2 years from 2004 to 2006 where he served as vice president of hotel supplier strategy and hotels and packages product planning.

Rajesh Magow is the co-founder and group C.F.O. Mr. Magow has 18 years of experience in the IT and Internet industries.

James Jianzhang Liang is the chairman, former CEO, and co-founder of Ctrip, a provider of accommodation, transportation tickets, package tours and corporate travel management which is basically the travel services.

Executive Officers

Mohit Kabra was previously serving as make my trip Senior Vice President of Finance, Administration and Legal and had joined the company in 2011. He had apparently worked with Magow to manage make my trip financial planning, management and legal administration and has 19 years of corporate finance leadership experience.

Mohit Gupta is the group chief marketing officer. Prior to joining in May 2008, he worked at Pepsi Food Private Limited as vice president, marketing and worked in numerous other capacities from July 1998 to April 2008.

Saujanya Shrivastava is the chief marketing officer of make my trip. He will be responsible for leading marketing initiatives across the company's business lines and group entities. His key focus areas at make my trip will involve to strengthen the brand's association with leisure travel, establishing leadership on the mobile platform and driving customer-engagement and loyalty.

Ranjeet leads make my trip Holidays business – a growth area for the Company. He joined make my trip in May 2014 as Senior Vice President & Business Leader – Flights. He took on the new role leading Holidays business in January 2015.

Anshuman was appointed as Chief Product officer at MakeMyTrip in July 2015. He is also the co-founder of mygola.com, a travel planning service acquired by MakeMyTrip in April 2015. Anshuman focused to re-establish travel as the leading eCommerce category through pioneering innovations on Mobile and User-experience.

Deepak Tuli (Senior Vice-President-Growth Business). He joined make my trip from Goibibo.com, which he co-founded in 2009 & he has also served as the C.O.O. In make my trip he will focus on building and implementing strategies for growing new business lines in the accommodations segment for the company.

Ritwik Khare (Head of Business Development for Hotels)- joined in 2012 he leads the business development and Hotels supply team. He also served as Business Head for Hotel Travel, a MMT Group company based in Thailand.

Yuvaraj (Chief Human Resource Officer) - He joined the Company in May 2014. He leads the human resource department including its overseas entities. His key focus areas include Talent Management, Leadership Development, workforce management and driving MakeMyTrip's relentless efforts on being both a great place to work and a contributor to community development.

References :

<https://en.wikipedia.org> (7/4/2017)

<https://www.makemytrip.com/about-us/management> (7/4/2017)

<http://timesofindia.indiatimes.com/> (7/4/2017)

ORGANISATIONAL CULTURE

Organizational culture is a system of values, shared assumptions and beliefs, which governs how people behave in organizations. The company has the DNA of a start-up but the resources and ambition of a business leader in its category. The work environment there, is very fast paced and there is an insane focus on getting stuff done. MakeMytrip is one of the most data driven companies in the Indian ecosystem.

Having said that, there will be times when you will question some of the strategies and changes to overall plans, that a company like MakeMytrip needs to make quite frequently. It is this culture that keeps the company nimble and ready to face new challenges. The company has made its environment very friendly so that people can manage to give their 100%. There is “camaraderie” concept in their culture which mean 'FAMILY' mean of togetherness.

There are no closed doors at MakeMyTrip. Only open ones that let you walk right in.

The satisfaction we get from our various social initiatives and our involvement in making a difference is unmatched.

The culture at MakeMyTrip is one of a kind. It expects you to be yourself. It makes working at MakeMyTrip much more relaxed and fun. Our communication style is informal, our drive for results keeps the action alive every time, and our policies are made bottom up. All in all, it is our unconventional culture that makes MakeMyTrip the preferred place to be.

There is fun at work which lead to create more communication in the company, sure, it's called work, but that doesn't mean it has to be a drudge. There is a purpose for parties and celebrations at work and it directly correlates to productivity, output, energy and job satisfaction. At MakeMyTrip, it believes in this philosophy and strongly abide by it.

MakeMyTrip has a culture which focuses on integrity in the vision with consistency of an organisation with same vision lead to a great future for the company. There will be more dedication and passion among employees if they share same values. This organisation culture also include feedback system of: Team leader, about the work environment, which lead to better communication and less politics in the company.

There are more and more facilities given to the employees like health facility, some of them leave from office for enjoyment, emergency, etc. These all are parts of showing care for the people in the organisation which again make a good culture in the organisation.

CAPABILITIES BUILDING :-

There are few programme dedicated to this.

Campus to organisation, there are few sessions dedicated to the new joiners to gel up in the company programme like orientation programme etc.

Honest dialogue process: this method is use to Identify, manage and build strong performer as well as to give them avenue to growth to employee to demonstrate high potential in them.

Some of the employees tell their experience like,

“We work around the year, round the clock to cover the entire world, and never stop. But we see no reason why we can’t make our own trips and unwind. We don’t believe in full stops with respect to work, but commas are many!”.

CHALLENGES AHEAD

INTERSECTION OF MOBILE AND ARTIFICIAL INTELLIGENCE (AI)

*Of course, the customer wants a great product. Everything has become so personalised. MakeMyTrip has thus realised that **the intersection of mobile and AI (artificial intelligence) is the future**. They intend to make ticket booking to be as simple like crossing the toll naka - a quick exchange and you are gone; and pre-booking, the time where user wants a lot of information.*

TO QUALITY STAMP HOTELS

A new concept, Assured Hotels, will be launched by MakeMyTrip where, based on parameters such as quality of reviews and service, it plans to categorise and certify certain hotels, a move which the company thinks would address customer concerns while booking hotels online.

Only three, four and five-star rated categories will be the hotels which get a quality assurance from the company.

"The hotel market is very fragmented and online penetration is 15%. There is unfamiliarity with regard to online booking and a perceived lack of human interface. Being the leading online travel agent, the task of category expansion is upon us and we need to allay these fears. One needs to give compelling reasons to customers to start booking online," Shrivastava said.

TO INSPIRE PEOPLE TO TRAVEL

From being a revolutionary online travel agency in India that provides treasured holiday memories for travellers, MakeMyTrip is now getting ready to be a travel partner and a company which inspires people to travel by introducing company's new brand positioning : dil to roaming hai

TO TAKE ON SMALLER RIVALS TREEBO & FABHOTELS :-

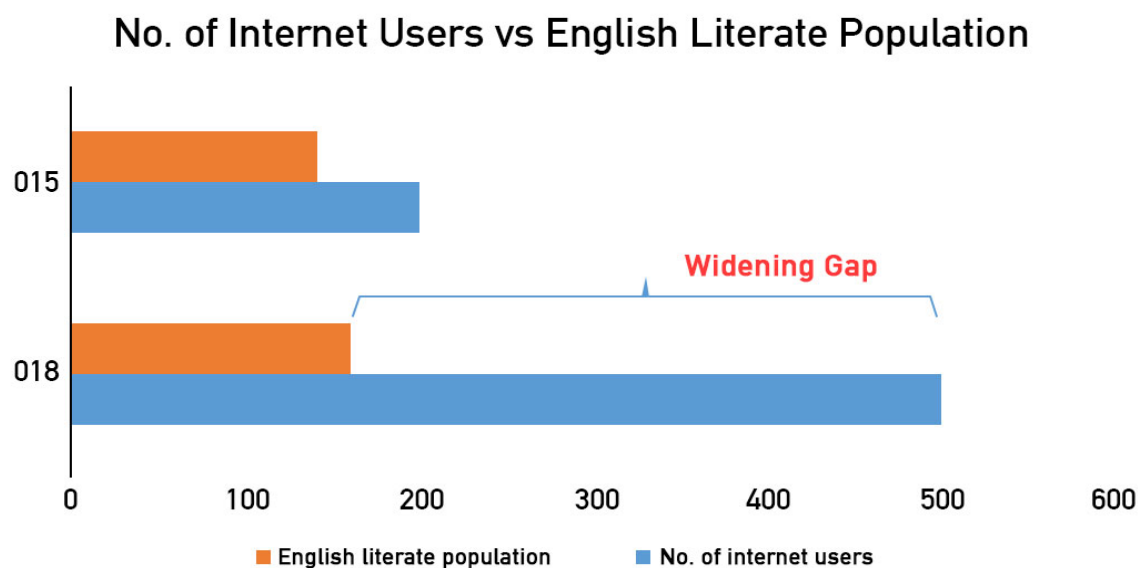
For MakeMyTrip, it's going to be a significant investment over time and since it's going to be in the hotels and packages space, it's going to be a continuous investment over the next three to four years..

The move towards the budget hotel segment is primarily derived towards earning a greater portion of its overall revenue from broader, and more lucrative, hotels and packages segment.

TO LAUNCH TICKET BOOKING IN DIFFERENT LANGUAGES

There is a widening gap between people who understand English in India and the estimated number of internet users.

MakeMyTrip wants to make the entire experience as comfortable as possible by providing an all-in-one onboarding experience by giving the users an option to book tickets in their choice of language.



The road to localization was less travelled from an Indian e-commerce perspective and the challenges were huge. A vital challenge was the level of translation, which a customer would be comfortable with and that is easily understood and is used colloquially. Machine translation doesn't work: "Book Train" is "Train book karein- ट्रेन बुक करें" and not "Pustak Train- पुस्तक ट्रेन".

MakeMyTrip users will be able to book train tickets in the following Indian languages:

- Hindi
- Tamil

- Gujarati
- Telugu
- Malayalam

References :

- <http://economictimes.indiatimes.com/magazines/brand-equity/the-intersection-of-mobile-and-ai-is-the-future-makemytrips-deep-kalra/articleshow/57751395.cms> (5/4/2017)
- http://economictimes.indiatimes.com/articleshow/57697297.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst (5/4/2017)
- <https://www.makemytrip.com/blog/dil-toh-roaming-hai> (7/4/2017)
- <https://www.makemytrip.com/blog/makemytrip-now-offers-train-bookings-6-languages>
- http://economictimes.indiatimes.com/articleshow/57847520.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst (7/4/2017)

OUR ADVICE TO COMPANY

Companies the size of MakeMyTrip, that have remained in the market for so long also tend to lose a lot over little ignorance, misinterpretation or incompetency to tackle problems and sustain in their respective market. So, it is important for companies like MakeMyTrip keep on giving importance to customer feedback and engages the people in the policy making of the company to make sure the company forever remains customer-friendly.

Advices we'd like to suggest after our research on the company to the board are:

- *Improve your ranking on websites like TripAdvisor. Rankings on websites like TripAdvisor are one of the key components that determine your influence on customers in the market. With such large number of competitors in market customers are usually confused and in turn seek the help of such*

ranking websites with a very sharp critic support and a huge mass support base to carry it. People websites in time turn to become the bible of their specific genre. For eg: Forbes, iMDB, TopGear, TripAdvisor, etc.

- *Invest your capital to generate future revenue. It is good to earn a nice and handsome amount of capital from one company. But what if the is to fail in the market somehow. So it is important to never keep all your eggs in one basket. Though, this is not a very intelligent advice as it is commonplace in today's market. Start-ups who have made it big in past decade or so have started to invest a lot of their revenues in funding budding start-ups. A lot of other such companies have entered different mainstream business of today's world. For eg: OYO Rooms, PayTm, MakeMyTrip, etc.*
- *Make the app more user-friendly. The company should focus more towards creating the most user-friendly interface for the users according to the changing times. This is an ongoing process. So a company which tends to ignore its app development as soon as it launches its product in the market generally tend to lose. One of the advices will be to initiate chatboxes. Live chat with a person sitting on the other end with a computer makes the customer feel like personally attended to. It is one of the key aspects in developing P2P support of an online company helping it in creating ground-level existence. It gives the customer the feel of a travel agency with the ease of an e-commerce app.*
- *Data management and research is very important. For companies like MakeMytrip, Flipkart, Amazon, etc. data management is a very important tool for studying the customer market. What they buy, where they travel, what they read, what they eat helps an online company calculate the market scope of an area and better estimate for localised products for specific locations.*
- *Focus on budget hotels.*
- *Offer add-ons*
- *Create localised products*
- *Create unique products for a niche market.*