

MakeMyTrip Our Own Startup

How Deep Kalra Started – Founder of MakeMyTrip.com

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10-13 minutes



The pioneer of online travels in India; Deep Kalra is the proud founder of Gurgaon based – MakeMyTrip.com.

The Million-dollar MakeMyTrip in a nut shell, is an Indian online travel company which provides online travel services like flight tickets, domestic and international holiday packages, hotel reservations, rail and bus tickets, etc.

Speaking of his qualification; Deep holds a Bachelor's degree in Economics from the St. Stephen's College, Delhi, after which he went on to pursue his Masters in Business Administration degree from the Indian Institute of Management, Ahmedabad (IIM-A).

Presently, he lives with his wife Amrita, his 11-year-old daughter Manya, and his 9-year-old son Armaan. Some of his favourite past times include adventure sports, yoga, swimming, quizzing and travelling to places off the beaten path.

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How did his journey begin?

Deep's career started soon after he completed his Masters with IIM-A & went on to work for companies like GE Capital, ABN AMRO Bank, etc!

Now back in 1995, Deep Kalra took a huge risk by quitting his stable & good-paying but boring job at ABN Bank to join AMF Bowling – an American company that was hoping to enter the Indian market to setup bowling alleys and billiard halls.

He put in all that he had and managed to open more than 200 lanes, most of them in small centres. What was even worse was that, the venture wasn't really his own thing, and he had a remote boss back in America who threw him in the market without giving him the appropriate mentorship or guidance.

Evidently, for obvious reasons, this did not appeal to him and he also realized that they were all not worth his talent. He needed something more to showcase the same!

At the same time, he noticed that the Internet industry was growing at the speed of fire and held a lot that could be capitalized on! Having said that, he quit his job & began the old-age brainstorming session! He saw that, with all the brokers, the agents & middlemen in place, the online travel booking industry was messier than a man's bedroom!

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Hence, with a backing of USD 2-Million from eVentures and along with co-founders like – Keyur Joshi, Rajesh Magow and Sachin Bhatia, deep began his new found journey with MakeMyTrip.com (earlier known as India Ahoy) in 2000.

Untold story of MakeMyTrip.com!

Phase I – Rough Start

Now it is somehow a fantasy of almost every living creature to travel and explore new destinations. But unlike Birds we have to sort out a lot of things before we start our trip and unfortunately we have to pay heavily for them as well.

But now that we have so many websites available to help us sort our trips, it has gotten a lot easier. And entering new in this race of websites we had – MakeMyTrip!

Now initially, he had also seen that the Indian market was yet to evolve & mature, when it came to the internet industry and playing it safe seemed far more viable than otherwise! Hence, he started off by catering to the overseas Indian community for their US-to-India travel needs.

Anyways just within two years from their launch, their business got jinxed and the dot com market crashed, taking down everything they had begun to make!

This was a very hard time for them and literally everyone who belonged to the internet market. VC's weren't ready to touch the internet industry. Their VC, who once ready to offer any hefty capital they demanded, now wasn't even ready to give USD 1-million.

The situation was so bad that in-order to save the company, Deep had to take some very harsh decisions. They had to reduce their employee strength by a literal half, and what was even worse was that, he also had to let go of their & few other top-management employee's salaries for the next 18-months.

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Phase II – Steady Rise

Taking some thoughtful, stern yet intelligent decisions, MakeMyTrip turned out to be one of those few who managed to survive the tsunami. And as time passed, the situation got better and their decision turned out to be fruitful as well.

Their business now had begun to pick up & was reaching a decent customer base. That is when IRCTC (Indian Railways Catering and Tourism Corporation) launched their first online business model which enabled the Indian traveller to purchase railway tickets on the Internet.

This model of IRCTC was well accepted but the Indian masses and turned out to be a huge hit. Additionally, Low-Cost Carriers had also recently entered the Indian Aviation space. These chains of events opened a whole new level of opportunities for the travel market in India.

It was now time to broaden their portfolio and although this venture for the Indian market was too ahead of time for various reasons like using their credit cards online, trust issues for non-established brands, etc. they risked it anyway.

And in September 2005, they officially launched their services for the Indian market as well.

As a first; apart from flight ticketing MakeMyTrip began by offering holiday packages and hotel bookings which was followed by their tie-up with IRCTC's online business model.

This move not only increased their presence in railway ticket booking but also gave the much desired boost the Indian market was looking for!

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And in a matter of no time, the company started making awesome revenues. The demand was so much that 1-out-of-every-12 domestic flights in India were booked through MakeMyTrip.

Within a year, the company had acquired 200,000 happy customers. As a matter of fact, when the world was in recession in 2008, the company was crossing their Rs1000-Cr mark.

The same year the company also recorded profits worth \$5-million with gross revenues being approx \$500-million.

From here onwards, the company brought about a lot of additions to its existing profile; be it launching a multi-city flight booking service “Alootechie.com,” adding chauffeur-driven online cab rental services or creating several travel-related Apps for all types of mobile devices, they made sure to leave no table unturned.

But the biggest news that came to light was their listing on NASDAQ, in August 2010!

This was like the ultimate blow for all its potential competitors. As satisfying and happy the moment was for them, it was equally a proud moment for India too, because MakeMyTrip was one of the very few Indian Dotcom companies to be listed on the US stock exchange.

This also bridged the gap between the foreign investors & Indian businesses; thus opening doors for a pool of foreign investments in India in the IT sector. Additionally, this also boosted the confidence of the young entrepreneurs which gave rise to a lot of start-ups in the future.

Since then, MakeMyTrip has majorly focused on expansion and up-ping the revenue which has been done through various mediums such as unique marketing strategies, product development, etc!

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Phase III – Wide Expansion

During this phase of expansion; even though the company faced their share of problems, but at the same time they also managed to rise out of it bravely and used these hurdles to expand their reach far beyond their imaginations! These comebacks have also time-&-again been proved through their numbers.

One such problem they faced was in December 2013; the wealth of MakeMyTrip which was over \$50-mil had been cut by halve & their net revenues declined 5.5% as well. MakeMyTrip was also seen to be booking losses worth \$2.6-million.

Times were hard for them but as they had faced problems earlier, they were more prepared and experienced to tackle issues this time, and hence in the next quarter, MakeMyTrip successfully came back with a bang & proved themselves by reporting a 27.7% rise in revenues.

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If that wasn't enough then in march 2014, MakeMyTrip announced a \$15 million innovation fund for new entrepreneurs in the travel circuit. And when we looked at the recent stats of the NASDAQ listed company; with a current market cap of \$934-Million they seem to be growing drastically too.

And lastly; apart from initial investment of 2-million, MakeMyTrip has raised USD 10-million in 2005, USD 13-million in 2006 & USD 15-million in 2007 from investors such as

SAIF (Softbank Asia Infrastructure Fund) Partners, Helion Venture Partners, Sierra Ventures & Tiger Global, till date!

Phase IV – Mergers, Acquisitions & Investments

Over the period of time, MakeMyTrip has also done some notable mergers, acquisitions & Investments, some of these include:

1. MyGola: A start-up travel guide firm was acquired by MakeMyTrip for an undisclosed amount in April 2015.

2. com: A Gurgaon based online health store received investment worth \$6 million from Deep Kalra along with other investors such as Sequoia Capital, Omidyar Network, Intel Capital and Kae capital April 2015.

3. TrulyMadly: Deep Kalra also made angel investments in the matchmaking website in March 2015.

4. com (ETB): An online hotel operator based in Amsterdam was recently acquired by MakeMyTrip in February 2014.

5. Hotel Travel Group (HT Group): Again a Travel firm with operations in Thailand, Singapore and Malaysia was acquired in November 2012.

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6. ITC Group: A Tour operating company based in Thailand was acquired in November 2012.

7. My Guest House Accommodation: A Budget Lodging / Hotel Operator based in Delhi was acquired in November 2011.

8. Le Travenues Technology Private Limited: The Parent company of Ixigo.com based in Gurgaon, which performs 'online travel meta search engine' was acquired by MakeMyTrip in August 2011.

9. Luxury Tours and Travel Private Limited: A Singapore based Travel Agency was acquired by MakeMyTrip in May 2011.

Achievements

- Chairperson of the NASSCOM Internet Working Group
- Member of the Executive Council of NASSCOM
- Member of CII's Tourism sub-committee
- Awarded as the "Best Travel Portal India" by World Travel Awards (2014, 2013)
- Awarded as the "E-tailer of the Year" by ET Retail Awards (2014, 2013)

- Awarded as the “Best Online Travel Service Firm” by Times Travel Honours (2011)
- Listed as “Ten Best Companies to Work For in India” by Great Place to Work Institute (2013, 2012, 2011, 2010)