



iXIGO.com to support international airlines' move to zero commissions in India

India's Largest Travel Search Engine to Support Airlines By Growing Direct Bookings

New Delhi, April 16, 2009 – iXIGO.com, India's fastest growing travel site, today announced that it supported the move by international airlines to zero commissions for travel agents and that it will continue working strategically alongside airlines in growing their direct sales and reducing their distribution cost.

14 international carriers in India have recently moved to zero commissions with a transaction fee system. These include Singapore Airlines, Lufthansa, American Airlines, Austrian Airlines, Qatar Airways, Air France, KLM, Delta Airlines, British Airways, Continental Airlines and Finnair. Though they acknowledge travel agents as an integral part of their business, they remain committed to reducing travel agency commissions to zero, pushing travel agencies to a transaction fee (or service fee) model. This is in line with their global policies and an increased focus on direct-selling through their own website with web-only fares, lowest fare guarantees and exclusive on-site promotions.

Announcing the company's stand on the issue, Alope Bajpai, Founder-CEO, iXIGO.com said – "iXIGO remains committed to growing direct web-sales for international airlines just like we have already successfully done for domestic carriers. We are in the process of signing partnerships with all major international airlines and we believe that the move to zero commissions will be beneficial for the entire travel ecosystem in the long-run. Instead of focusing on commissions, as an industry we need to focus on the value delivered to the consumer. Selling and distribution costs are a major burden on airline P&Ls and it is our responsibility to enable more efficiency in their cost of sales."

iXIGO.com's unique business-model has introduced a paradigm-shift in travel bookings and has made it India's biggest airline-direct search engine enabling efficient customer acquisition for all airlines in India. Since bookings through iXIGO.com's engine happen by transferring customers onto airline websites, the airline owns the customer and benefits from ancillary revenue and brand loyalty due to more effective marketing and direct distribution on the Internet. It is estimated that if efficient direct selling platforms such as travel search engines can transition just 10% of sales directly to the airline sites from intermediaries, airlines in India would cumulatively save at least Rs. 100 crores every year in distribution costs.

Nitin Gurha, VP, Travel Partnerships, iXIGO.com commented – "Travel agents will need to adapt to the transaction fee model prevalent in all large markets globally. They can make much better margins on hotels, tours & package bookings and also by offering value-added services like visas, insurance etc, so the impact on travel agency bottom-lines should only be marginal. Globally, travel agents have evolved into travel consultants and we don't see a reason for that not happening in India"

iXiGO.com, launched in June 2007, has grown exponentially in the last 12 months and is one of the biggest affiliates of airlines in India, driving transactions worth Rs.18 crores every month on airline sites. In addition to airlines, iXiGO.com searches more than 220,000 hotels across the world and bus operators within India.

About iXiGO.com:

iXiGO.com ® is India's leading online travel search engine based out of Gurgaon. iXiGO.com searches across multiple [airlines](#), [hotels](#), and [bus booking](#) sites and finds the best travel deals. Launched in mid-2007 by an entrepreneurial team of young IITians and INSEAD MBAs, iXiGO.com has been recognized by NASSCOM as India's Top-100 Innovator; BusinessToday and WSJ-Mint have named it among India's hottest startups for its unique market approach, product usability, and passionate management team. iXiGO.com is backed by BAF Spectrum, a Singapore-based seed-investment fund. For more information about iXiGO.com, visit www.ixigo.com.

Media Contact

Dharmendra Yashovardhan

iXiGO.com

Email: dharmendra@ixigo.com

Telephone: +91 124 4045281