

Shaping The New Travel Ecosystem

iXIGO offers something different from a typical online travel agency. The travel search engine assists you to find the best travel deals in airlines and hotels. And its one-to-one relationship between the supplier and customer helps in cutting down the commission costs inherent in online travel agencies.



A screenshot of iXIGO.com, the portal has comprehensive travel search tools that search through all airlines in India and 4500 hotel properties

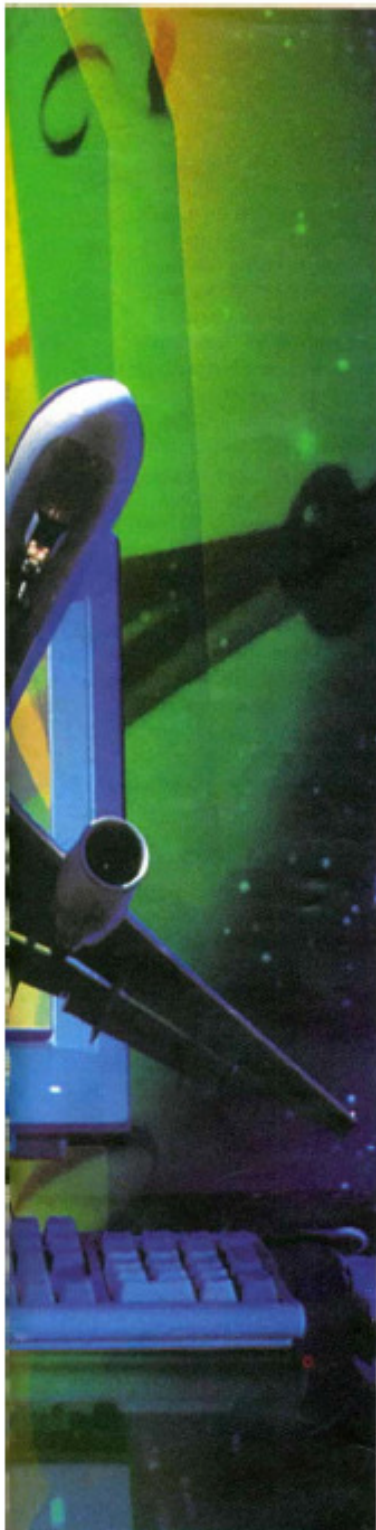


The fortune cookie

Saving costs for the customer by cutting out on commissions can earn you a lot. iXIGO has done just that by providing a reliable travel search engine and linking the providers and consumers directly, sans middlemen.

the rise in travel, for professional and personal purposes, calls for enhancements related to ease-of-use, speed and accuracy. Online travel agencies have always been popular, while a travel search engine is a relatively new term for Indians. Here, we explore

a travel search engine for the Indian consumer, iXIGO (www.iXIGO.com). Multiple online travel agencies have already established themselves in the virtual space. The growth in the online travel market in India has led to increased online portals and direct supplier websites, with increased fragmentation in pricing and content.



A transparent system is the need of the hour.

A travel search engine

"iXIGO aggregates travel information and enables one to search for the best travel deals (flights and hotels) on multiple travel sites, and then takes the consumer directly to the airline or online travel agency's site, from where the consumer can make the purchase," says Alok Bajpai, founder & CEO, iXIGO. This system helps to compare prices (inclusive of all taxes) of flights and hotels, as well as other product attributes, directly from these providers.

iXIGO has comprehensive travel search tools, that search through all airlines in India and 4500 hotel properties, including hostels, budget hotels and serviced apartments.

The iXIGO bonus

A single-step booking through redirection to the provider's portal is the highlight of iXIGO. "In short, iXIGO provides one fast, comprehensive, unbiased search across suppliers that is easy and fun to use—like a "Google for travel," adds Bajpai. Hence, by using iXIGO, people spend less time and effort on finding the best deal.

Consumers apart, airlines/hotels gain from iXIGO. According to Bajpai, iXIGO gives them a great direct online-marketing-and-distribution platform, where they can acquire customers directly. This ensures a greater customer lifetime value to them, protects their brands, and helps them acquire customers at a lower cost than the traditional travel agency distribution channel.

iXIGO is also available on the mobile, enabling real-time fare comparison, availability checking and booking through call centres. The company has been working with a third party to enable this, but will be

soon re-launching it on its own short code.

The iXIGO style

One-to-one relationships between the suppliers (airlines/hotels) and travellers makes iXIGO stand apart from its competitors. The one-to-one relationship guarantees that the consumer gets the cheapest deal without any mark-up or commission.

How else does iXIGO differ from online travel agencies? Online travel agencies like Cleartrip and MakeMyTrip.com need an IATA (International Air Transport Association) licence, like any other travel agent, to sell tickets. Their businesses have huge call centres, travel helpdesks, real agents sitting at green screens at times, ticketing, payment processing, delivery, customer service, etc. "With comprehensive and transparent comparison of prices and options, iXIGO generates leads for all the partners we work with, and by virtue of not doing the bookings, does not compete directly with any of the online travel agencies," opines Bajpai.

Technology

iXIGO runs on open-source technology like Linux and Java. "We have invested significant time in building proprietary search and caching algorithms that allow us to deliver our search results super-fast, and yet ensure that the information we provide is both fresh and accurate," says Bajpai. iXIGO also has a simplistic UI (user interface) design, and new features that enable faster navigation, filtering, sorting and redirection.

Facing challenges

The concept of a travel search engine isn't as simple as it sounds - a lot of work and a thorough understanding of the processes are

involved. To optimise queries, iXiGO uses sophisticated prediction and caching algorithms, and for faster and smoother results delivery, they use AJAX (asynchronous JavaScript and XML). 'Fly anywhere to anywhere' is a unique feature from an implementation perspective. The iXiGO team had to run several combinatorial algorithms before they figured out how to crack the complex problem of combining flights over multiple airlines, multiple stops and multiple itineraries to give users the fastest search for a route where no direct flights exist. For instance, in a search for a flight from Bangalore to Lucknow, the process involves a search via Mumbai, Delhi and Kolkata, and finding the absolute best itineraries in terms of price, duration and airline-combinations.

Revenue model

If iXiGO isn't taking a commission from consumers, the next question is, how do they earn revenue? Bajpai reveals the secret: airlines and hotels pay iXiGO a small fee when bookings take place on their websites via iXiGO's referrals. Moreover, suppliers are also willing to pay them for every click they send to their booking pages. Suppliers have figured out that iXiGO is a marketing channel with a higher ROI (return on investment) than even their traditional pay-per-click partners such as Google and Yahoo. "Traditional pay-per-click partners can guarantee a lot of traffic through horizontal searches; yet they are very poor on quality of traffic and conversion numbers," opines Bajpai. iXiGO, he says, provides the airlines and hotels with the ownership of a customer who is extremely well qualified, and is likely to come back and book on the airline or hotel site directly. This, according to the team, has a huge long-term value, especially when an airline or hotel wants to



Alok Bajpai, founder & CEO, iXiGO

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sell ancillary products on its site and increase consumer lifetime value.

The initial days

The idea of iXiGO came about in early 2006 during an intense brainstorming session among the three founders—about opportunities in the travel industry in India. At about the same time, online travel agencies like TravelGuru, Yatra and Cleartrip had procured funding and announced their launch plans. "We thought that this was a green signal for the market's maturity, and a great time to enter the Indian market with an offering that was more direct, transparent, technology-centric yet customer-focused. If online travel agencies represent Travel 1.0, travel search engines represent Travel 2.0,"

says Bajpai.

Bajpai, the CEO, Rajnish Kumar, CTO (both IITians), and Dharmendra Yashovardhan, COO, founded the group. Prior to iXiGO, Bajpai was working with Amadeus SAS and was the VP, Distribution Strategy, FinalQuadrant Solutions. Jens Schurter, a German national, is the chief architect. iXiGO was bootstrapped by the founders till January 2008. iXiGO's seed investors are BAF Spectrum partners from Singapore, and William Klippgen, a well-known Internet entrepreneur from Europe, also sits on the board.

From the beginning, iXiGO selected a set of people from the IITs and other premier institutions, and kept to a lean-and-mean hiring philosophy. To be a part of the team, it is the passion and urge to do something innovative that matters—more than a person's credentials.

Recognition adds colour

iXiGO has so far been recognised in the NASSCOM 100 IT Innovators 2007 list, was a finalist for the "Red Herring 100 Asia" awards 2007, and the "Red Herring 100 Global" awards 2007.

"Recognition definitely strengthens our belief in our business plan, and boosts the team spirit," reveals Bajpai. However, recognition is not the purpose of iXiGO's endeavours. "We are here to make the life of Indian consumers and travellers easier by giving them a much simpler, more usable and transparent travel search engine than the travel portals they are used to," adds Bajpai. For the team, achieving its purpose and receiving praise from users means far more than official recognition.

"Innovation to the team means a constant questioning of the status quo. When team members brainstorm, they do not try to think outside the box but try to ask, "Why do we need the box?"

Aloke Bajpai

Research and innovation

iXIGO averages 25,000 searches per day, and each month traffic is growing at a rate of 50 per cent. The team is now concentrating on making its shiny new hotel search better and more comprehensive. Users can expect more hotels, and more search and filtering features on the hotel front. The team will also be working on some new products, particularly for international travel searches from India.

Innovation to the team means a constant questioning of the status quo. When team members brainstorm, they do not try to think outside the box but try to ask, "Why do we need the box?" Innovation also means building a start-up culture that actively encourages questioning and dissent, and where no idea is too bad to be shared. Bajpai reveals, "It is the junior-most developers who have contributed some of the most popular

ideas."

The future of OTA and travel search engines

Bajpai believes that both online travel agencies (OTA) and travel search engines will co-exist in the times to come, since their value propositions differ from an end consumer and supplier perspective. He further points out, "Travel search engines are creating a 'blue ocean' in a competitive online travel agency environment."

As of now, people use more than one site every time they want to search for travel options. The iXIGO team believes iXIGO will figure among the top three sites to spring to people's minds in the times to come, because consumers will want to compare the online travel agent offerings versus deals that come directly from suppliers. External factors such as airlines asking online travel agents to

add a compulsory Rs 50/100 mark up, and hotels providing best-rate guarantees on their own site, will definitely add a strong pull to travel search engines, since they will become not just the most convenient channels, but also the sites with the cheapest fares and rates.

According to Bajpai, the travel search does not impose a threat to online travel agencies in a classical sense, as it does not complete the booking and fulfilment cycle. And it is interesting to note, iXIGO partners with online travel agencies on many occasions in its online marketing efforts. Online travel agencies will still retain most of the high touch-and-feel business such as packages and tours, believes Bajpai. And the savviest online consumers will switch to travel search engines for simpler transactions.

Bajpai signs off by saying: "The online travel landscape in 2008-09 will be very different from what it was, and travel search engines will have a special role to play in shaping the new travel ecosystem." ■

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