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It is hard to build a profitable internet business at scale in India, but not impossible. Let me talk about ixigo's FY2020 performance. But first, the back story (with [@rajnishkumar](#))

It was 2016. We had 3 Million MAUs (mostly organic) and were getting closer to 20 crores annual revenue. We were trying to raise money because we had just 12 months of burn left in the bank.

Out of many conversations, I remember one with a VC in our office who asked us our CAC-LTV ratio. TBH, we didn't track it in those days because we always made money on the first transaction itself and didn't spend a lot on customer acquisition, but I remember the look we got !

Yet another one gave us advice - "Look it's been 10 years since launch, travel is done and dusted, why don't you guys try doing something else". We felt dejected for a bit but went back to work the next day - not the first or last time we would face rejections.

I met [@shaileshlakhani](#) (after many years) at an Unpluggd event in Bengaluru in early 2016, and we sat down to chat about ixigo. He was the first investor we met in a long time who saw us not for who we were but for who we could become.

We had crazy traffic growth and we were the world's first meta-search with a loyalty programme of its own, but our monetization from all that traffic wasn't that great, and we couldn't hand-hold the customer as he/she transacted.

So we came up with ixibook. Long before any global meta peer did it, we painstakingly integrated the direct-booking capability of all major OTAs in India to build a marketplace for comparison+transactions+loyalty on our own platform in mid-2016. Our first big pivot.

After closing our \$15 Mn Series B in 2017 we also made our popular train utility app transactional by signing up as an official B2C ticketing app with IRCTC. The result ?

FY2017: 22 crores revenue. FY2018: 67 crores revenue.

3x growth in a year. Something was working !

FY2019 with Jio's upsurge was a year of boom for online travel and aviation, and as we crossed 15 Mn MAUs, we decided to push the pedal harder. We spent more money on marketing and discounts and finished FY2019 with 113 crore revenue (1.7x YoY growth), but there were 3 problems.

1. The customer experience we were offering as a marketplace wasn't that great. Since we couldn't control the payment and ticket issuance step, there would be lot of customer issues we were unable to solve without our OTA partners.

2. We started burning more money on marketing and cashbacks. It felt OK because everyone else was doing that too, and it was the Unicorn playbook. We made a loss of 40 crores each in FY2018 and FY2019 but we felt it was the price to grow 2x YoY.

3. The third problem was the biggest one. By early 2019 Jet Airways was failing and oil prices had started moving up. 15% aviation supply disappeared overnight and fares went sky high. It was becoming harder to keep growing at 100% YoY.

To make matters worse, our fundraise discussions for Series C weren't really yielding the desired outcomes. We were staring at a choice of either running out of cash again or turning the company around.

In mid-2019 we took 3 transformational decisions:

1. Instead of discounting, focus on organic and product-innovation led growth (our original mojo)
2. Become a full-blown OTA and build our own customer experience grounds up.
3. Get back to the frugal mindset we began with.

In a record time for 4 months the audacious ixigo team transitioned our business from a meta-marketplace (ads / leadgen) to an OTA with full blown transactions, payment, billing, supplier integrations, customer support and distribution capabilities to power other partners too.

Some of the AI features such as TARA that we had built came in handy too as we didnt need to hire several hundred people in our call centers overnight. Our bot was answering over 80% queries from the day it went live.

We cut verticals and focused only on flights, trains and buses and went back to our core strengths of product improvements, growth hacking and finding ingenious and inexpensive ways to market with home-grown videos that would go viral.

We also started tracking every rupee of spend, margin and income every single day (Recommend all founders track a daily P&L and cash MIS).

The revenue was climbing and the costs were stable.

2020 JFM Quarter, we touched nearly 30 million monthly active users, and we also had our first fully profitable quarter. None of this possible without the ixigems putting in 12-15 hours a day!

FY2020 ixigo Results:

153 crores Net Revenue (35% YoY growth)

5.4 crores EBITDA Loss (87% Profitability Improvement)

Cash-flow Positive

You may be wondering how we are doing in FY2021 ?

The "how we survived COVID" story is for some other day. But tomorrow, a big announcement coming ...

PS: we did all this with a 150 member team ■