

# Cleartrip widens the net

Variety, accessibility and quality in the “activities and experiences” space is the next frontier for the online travel aggregator



The last mile connectivity is where some online aggregators go awry

SANGEETA TANWAR

With air and hotel booking becoming a highly fragmented and commoditised business, online travel aggregators are increasingly focusing on growing the allied “activities and experiences” aspect of the business. Sounds like a lot of jargon, but the shift allows players to move up in the customer journey funnel, offer differentiated services and earn higher margins. For one, Cleartrip is moving quickly into the zone, exploring new partnerships to take an early lead in the segment.

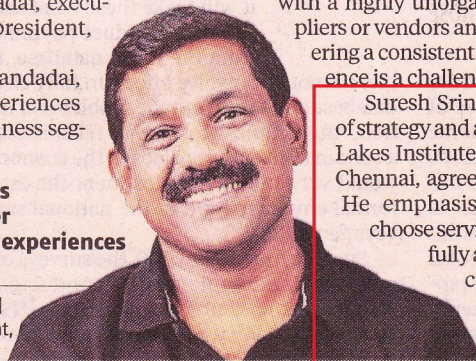
This is not the first time Cleartrip has stepped out of its comfort zone. It had built up “events” and “eatouts” as two strong service offerings under the experiences and activities umbrella rapidly, but dropped the two realising that “events” was highly content dependent with a short shelf life, while “eatout” was price and discount led. Following the recognition, Cleartrip has

pushed the reset button and is focussing on activities and experiences. “We witnessed negligible upgradation to travel from events and eatout consumers. In-depth customer interactions revealed our recall was high in all things related to travel — activities and experiences included — and data pertaining to the potential of these areas clearly pointed us to the same direction,” says Anand Kandadai, executive vice-president, Cleartrip.com.

According to Kandadai, activities and experiences are a complex business seg-

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**ANAND KANDADAI**  
Executive vice-president,  
Cleartrip.com



ment compared to air ticketing and hotel bookings. For example, while booking air tickets, travellers are well aware of the kind of travel and brand experience they would have with, say, an Indigo or a Jet Airways. Similarly, in case of hotels, travellers know what to expect from a Taj or a Marriott. But this is clearly not the case with activities and experiences. For one, you are dealing with a highly unorganised set of suppliers or vendors and therefore delivering a consistent customer experience is a challenge.

Suresh Srinivasan, professor of strategy and accounting, Great Lakes Institute of Management, Chennai, agrees with Kandadai. He emphasises the need to choose service providers carefully and urges OTAs to customise their offering according to the customer as mu-

ch as possible. “Providing a standardised quality of experience to every user is the objective; unfortunately, most of the experiences turn bad when this part of the value chain is not strong enough,” he says. He adds that players like Booking Holdings (earlier Priceline Group) and Expedia group that own a number of travel aggregators and meta-search engines like Trivago, that claim to be highly focused on creating superior customer experiences, are also grappling with the challenge of product design and customisation. The last mile connectivity is where such models go awry.

But look at the potential. According to industry estimates, the experiences segment is a \$180 billion business worldwide. A third of this market is in Asia which is worth \$60 billion. India is second only to China in this segment. The company sees a big opportunity: From handling 10 bookings a month in the early days of the shift, Cleartrip is now delivering 1,100 experiences a month.

The online travel player is following a three-pronged approach to cement its position in this segment. It is building technology capabilities to standardise its service offerings, fine-tuning its content strategy and is sewing up local vendor and service provider partnerships domestically and globally. Unlike the hotel business, experiences is not volume-driven — variety is the key. Therefore, it is critical for a platform player to put in place a network of vendors with specialised skills besides a seamless backbone infrastructure so that users can plan and provision for activities and experiences impulsively. Flexibility and having updated inventory 24X7 would be key in prising open a largely untapped market.

To address the quality issues related to service delivery by vendors, Cleartrip is building in-house technology capabilities that would help it organise and manage multiple layers of experiences and vendors. Its activity management platform offers users the flexibility of accessing and managing inventory, price and promotion all at one place. About 15,000 service providers are active on the platform already. The company claims that the experiences platform has a high fulfillment rate.

Another critical piece in activities and experiences is the curation and categorisation of content. From a customer's perspective, sheer categorisation of experiences is a challenge, says Kandadai. By and large, local vendors have access to rudimentary content. To ensure that visitors coming to the travel portal's website have access to quality content and a hassle-free navigation experience — Cleartrip manages the entire content lifecycle in-house.