

OTAs need quality product, content, service to win in long run

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Dhaka : In the next few years, online travel agencies (OTAs) will require quality product, content and service to stand out, as scrimmage for offering discounts will only take them so far.

Daraz Mahmud, COO of Take Trip, said this while talking to The Bangladesh Monitor at his office in the capital recently.

Soon, gone will be the days of trying to grab a piece of the market by offering excessive discounts. Only those with user-friendly travel technologies, automated services and best contents will sustain in the long run, claimed Daraz.

OTAs who are able to offer special NDC fares of airlines-which are less than the regular fares-on their platforms will come out as the winner, he added. To get that, an OTA requires an IATA accredited travel agency

behind it, explained Daraz.

Describing the process, Daraz mentioned, based on IATA's rating of the travel agency behind an OTA and the latter's sales record, global airline giants put their faith in OTAs and offer them BSP capping.

That is how Take Trip gets special NDC fares of the airlines on its platform through its sister concern TripLover which is an IATA accredited travel agency, informed Daraz.

This is what making Take Trip stand out, not any malpractice of offering customers excessive discounts, the COO further claimed.

It may be mentioned here, in the last seven months, Take Trip has recorded staggering number of ticket sales-almost BDT 400 crore.

Despite witnessing a slight slump in ticket sales-almost 30 per cent-in July and August due to nationwide unrest, transition of the government and flash flood, the business is picking up again.

Nevertheless, Daraz expects the market to recover in only a month.

According to industry data, currently, IATA BSP's total sales volume in Bangladesh amounts to BDT 1000 crore. With the ticket sales of budget carriers, the number goes up to BDT 17000.

Of the total market, over 40 per cent is occupied by online travel agencies, mentioned Daraz. Hence, eventually traditional travel agencies will also have to come online, claimed the COO.

Take Trip is prioritising the B2B market as, according to Daraz, it is currently bigger than B2C.

Customers out of Dhaka prefer to book tickets through offline travel agents.

On the other hand, the travel agencies out of Dhaka prefer using OTAs for their operations, said Daraz.

However, he stressed that Take Trip does not offer its ID to any travel agency without a trade license or civil aviation certificate.

To prevent the malpractice of some OTAs offering excessive discounts to customers, which ruins the market for others, Daraz urged the

concerned authorities to take necessary monitoring measures.

There can be workshops and seminars on good business practices for OTAs, suggested Daraz.

On the other hand, there are a few OTAs which are offering SOTO tickets on their platforms-another grave issue in the market currently.

If an OTA does not have a global IATA ID, meaning an official presence abroad under the same company name, it is illegal for it to sell SOTO tickets from Bangladesh, concluded Daraz, adding, this also requires strict monitoring.