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Travelzoo Bangladesh: Travel tech solutions provider to OTAs

A Monitor Report



Dhaka: Lately, we have witnessed how travelling in and out of Bangladesh has become a new trend among middle and upper-class people in the country. However, in 2020, the travel industry was hit hard by the pandemic. A year later, the industry had been somewhat resurrected and it is on the way to change for the better as it seems the pandemic came more as a blessing than a curse for the Online Travel Agencies of Bangladesh.

With the resurrection of the industry, the shift to online became more apparent as people avoided physical visits to the agent's office, stations and so on. Slowly, the ease of online booking was paying off and the appeal of e-commerce in travel is continuing to grow. All credits to the pandemic, the OTA industry received an ironic boost in the latter half of 2020 along with the trust and credibility it deserved.

It may be mentioned here that majority of the OTA platforms now are fully built and developed by local tech talents, indicating that our money is being spent on the development of our talent pool, keeping the money inside the country, which will not be the case if foreign outsourced products are used. Capitalising on the local tech talents is a key matrix for the OTAs.

This is where Travelzoo Bangladesh Ltd comes in. It is a travel technology solutions provider to OTAs, said its Managing Director Md Luthfe Ali in a interview with The Bangladesh Monitor at his office in the capital.

They provide five solutions to OTAs: the main API which is the application programming interface, GDS PCC which is the global distribution system under PCC, scraping which shows other websites data on your website, white label which rebrands Travelzoo's solutions to an OTA's own, and XML Solution which displays all the hotels available in an OTA's inventory.

Furthermore, Travelzoo offers these solutions in four packages: Basic package for seven days at BDT 17,000, Standard package for 15 days at BDT 55,000, Premium package for 60 days at BDT 2,95,000 and Developer package for seven days at a price based on negotiation.

Currently, Travelzoo is providing trave tech solutions to 10 per cent OTAs in the country. However, Luthfe Ali mentioned majority of their clients (B2B) are not locals, but foreigners from the USA, UK, Japan and Europe.

Earlier, before local tech experts started developing solutions for the travel industry, OTAs used to buy the solutions from India. But that brought no significant yield, said Luthfe Ali. This led to the emergence of local tech providers.

Since, by 2023, the entire travel market will be occupied by OTAs, sales of local tech providers domestically is sure to increase, estimated Lutfe Ali.

During the first six months of the pandemic, Travelzoo like all other stakeholders of the industry experienced a serious blow. Every month, they suffered a loss of BDT 8 lac, mentioned the managing director. Eventually, Travelzoo was lucky to recover and flatten the loss curve. And now the future only holds a rise for them, hoped Luthfe Ali.

It may be mentioned here, according to Luthfe Ali, before the pandemic, the air ticket industry in Bangladesh was worth BDT 1500 crore which due to the pandemic dropped down to only BDT 300 crore. But, from July 2021, Luthfe Ali expects the industry will be able to get back to normalcy. If it was not for the pandemic, the air ticket sales would have reached BDT 1800 crore by now, said the young and talented managing director.

Also, 10-15 per cent of the aforementioned market was covered by Travel Zoo Bangladesh Ltd, informed its managing director.

The pandemic also forced the industry to change its business module, believes Luthfe. He expects airlines to become prepaid now, not allowing any dues to OTAs.

Travelzoo Bangladesh Ltd was established in 2012 and from 2019, it started providing OTAs with total travel tech solutions.

Total solution travel platforms is a need of time. But maintaining discipline is key to help the market flourish. Since there had been instances where ill-intended businessmen tried to abuse the system for personal agendas, the government must continue strict monitoring and prioritise policy support for OTAs to ensure fair competition in the market and growth in the industry. Investors with noble intentions are what we need. Now may be a hard time for OTAs but if they can survive now, they will surely prosper in the future, concluded Luthfe Ali.