

**Internship Report on
“Digital Inclusion for Travel & Tourism Industry”**

BRAC University

Supervised By:

Feihan Ahsan

Senior Lecturer

BRAC Business School

Prepared By:

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ID: 08204025

Internship Duration:

November 01 , 2014 – January 31, 2015

Submission Date:

February 18 , 2015

Letter of Transmittal

Date: 18thFebruary, 2015

To,

Feihan Ahsan

Senior Lecturer

BRAC Business School

66, Mohakhali Dhaka-1212

Subject: **Submission of an Internship Report on Your Trip Mate Ltd.**

Dear Sir,

I am a student of BRAC Business School and I would like to present an Internship Report on “**Digital Inclusion for Travel and tourism Industry, Your Trip Mate Ltd.**”. To complete this Report Paper I have gathered information from various sources. According to your valuable advice I took some interviews of several Managers of Your Trip Mate Ltd. Ltd. The remaining data I got from their own websites, Annual Report and the meetings I attended working there. I really have learned a lot and gained valuable experience while working and preparing this internship report.

If you need any further clarification for any part of this Internship Report, I am eagerly always ready to provide any kinds of information regarding this Internship report on Your Trip Mate Ltd.

Yours Sincerely,

(Md. Adnan Hossain)

ID NO: 08204025

BRAC Business School

BRAC University

Acknowledgement

My acknowledgement begins by thanking my Internship Supervisor **FeihanAhsan**, who has provided me with suggestions for making this Final Internship Report and also provided me with the format for preparing this report. I would like to show my warm-hearted gratitude to the Marketing and Communication Department of Your Trip Mate Ltd; which has provided me with great deal of information, adequate data and lastly co-operated with me for the accomplishment of this report successfully. Finally, last but not the least, I would like to thank each and every members of Repair & Reproduction section of YTM specially my **supervisor Mr. Ahmadullah** for their kind assistance regarding the report. Without whom it would not possible for me to complete this difficult task, I got all necessary guideline, cooperation, and advice from them to complete this complicated task. I am very much thankful to Your Trip Mate Ltd.



Digital Inclusion for Travel & Tourism Industry

Problem Definition

4 keys Question:

-
- How can someone living in Gangbelghoria (a village in Bogra district) plan for a confirmed trip to vola?
- How much time and money you spent while making your last holiday plan?
- Was it easy for you to arrange your last foreign trip?
- Why Bangladesh is not a preferred vacation destination for foreign vacation seekers?

People of Bangladesh accounts for over USD\$300 million annually only for travel arrangement¹. For obvious reasons people travel which foster economic and social prosperity. Around 3.6 million Bangladeshis travel internationally and another 440 million travel domestically¹ (long haul) every year. In almost every case, travelers need to visit someone who can arrange their travel, which never comes quite easy. The most sufferers are the people living rural and sub-urban areas where they have to travel miles to get access of travel information and reservation. As a result, only travel arrangement absorbs 1.4 billion man-hours every year¹, not to mention the level of hassle people bear in this regard. Main challenges of travel arrangement include lack of access to travel information and service delivery points (where customers can avail travel services). This makes travel services inaccessible readily to large part of travelers. Eventually, travelers are exploited and have to invest huge amount of time and money to make any sort of travel.

Tourism can play a vital role at the economic growth of Bangladesh like Cambodia, Nepal, Maldives and Srilanka. However with less than 1% GDP contribution we are yet to be optimistic of counting tourism as our key revenue generating sectors. Surprisingly, despite Bangladesh has almost all the attractive elements those above 4 countries offer, it is yet to have any growth in tourism export. This is mainly due to lack of access of tourist point information, travel arrangement and promotion. A holistic approach of bringing Bangladeshi tourism to domestic and international traveler is entirely missing.

Market Opportunity

Bangladesh is one of the fastest developing markets in terms of internet and mobile penetration. There are 36 million active internet users, 95% of them are mobile based² and 109 million mobile phone user with 10% annual growth rate³. However, the development and potential of ICT sector yet to drop any light on Bangladesh's travel and tourism sector. This lack of integration between information technology and travel service providing industry has created vacant area that is yet to be filled.

¹ Your Trip Mate market research

² Bangladesh Telecom Regulatory Commission

³ Bangladesh Telecom Regulatory Commission and Dhaka Tribune "*Bangladesh now has 100m mobile phone users*": May 28, 2013

Bangladesh is on the verge of middle-class boom, 30 million people have got the status of middle-class, more than the population of Sweden, Norway, and Denmark combined⁴. There are reportedly 2 million people in the capital city who fall under the annual income bracket of \$10,000 to \$15,000⁵. This large and growing segment of people bears the tendency of traveling within and outside of Bangladesh. This growing travel tendency has created considerable business opportunity to grab. Majority of them have access to ICT and banking service.

60% of the long haul domestic travel happens from rural/sub-urban to urban areas. Cumulatively this is USD \$16.2 Billion service sector for rural Bangladesh. Digital inclusion is inevitably and will bring significant impact to this large community.

UNTWO (World Tourism Organization) report suggested Bangladesh will experience a 6.4% pa growth in tourism sector by 2023 which eventually will be contributing 2.2% on national GDP. This is considering the current development of infrastructure and pace of tourism growth of last few years. However, an internal market research suggested that the tourism sector can potentially contribute significantly larger than the UNWTO report if the sector can be aggregated and promoted.

Existing service sector is unable to ensure access to travel services and information at the doorstep of consumers due to immobility of existing model's infrastructural resources. The business opportunity lies in connecting all the available but fragmented travel facilitation services under unified online platform that can be readily accessible through various access points and sales channel.

⁴ Daily Sun "*Middle class boom: The image of new Bangladesh*": 07 January 2013

⁵ The Daily Star "*Rise of the middle class*": November 12, 2010



Beyond Your Boundaries

Your Trip Mate Ltd was incepted on Oct-2012 with the concept of providing travel facilitation service through online platform. It was incorporated with RJSC on January, 2013 as a private limited company with 3 share-holders. Till date, the authorized capital of Your Trip Mate is BDT 10 million and a paid up capital of BDT 2.5 million. While Sharif Aktar is the Chairman of the company, Ferdous Al Mottakin is the appointed Managing Director to lead the organization from fore-front.

Creating a substantial impact on people living bottom of the pyramid through providing easy access to travel arrangement is one of the key motto of Your Trip Mate (YTM). Besides, YTM will work for Consumer empowerment through technology and widening the boundaries of a traveler.

YTM is licensed to operate from Ministry of Civil Aviation & Tourism. Since it will develop its own technical platform and provider travel service through e-commerce, YTM became a member of BASIS. YTM's membership with IATA and ATAB are on progress.

Currently YTM is on pre-operational phase and developing its technical platform. However to start promoting the company, YTM started serving international vacation experiences.

With an average age of 25, Team YTM has a bunch of very talented resources those are dedicated working to develop its business model.

Your Trip Mate targets to become the largest consumer brand in e-commerce platform in Bangladesh in next 2 years.

At a Glance

Business type

Online Travel Facilitation or e-commerce

Chairperson

SharifaAktar

Managing Director

Ferdous-Al-Mottakin

Director

Md. Ruhul Islam

Registered Office

House# 508, Road# 20,
Mirpur DOHS, Dhaka-1216.

Website

www.yourtripmate.com
www.yourtripmate.net

Legal Advisor

N/A

Auditor

N/A

RJSC Incorporation No.

C-106933/13

**Civil Aviation & Tourism
Registration No**

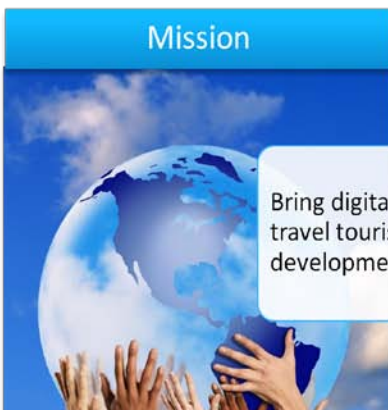
TA/U-03/D-7025/2013

BASIS Membership

G514

About 'YourTripMate'

Your trip Mate Ltd (YTM) aims to bring digital inclusion for travel and tourism sector to bridge the gap between travelers and travel service providers. Information accessibility, consumer empowerment and enhancement of local economic activities through digital technologies are the main areas of YTM's business concept. YTM is founded by a small team of young talented people with the passion of bringing digital services for people living every part of the pyramid.



Bring digital inclusion for travel tourism industry development



Become the largest travel facilitator in the country to represent beautiful Bangladesh



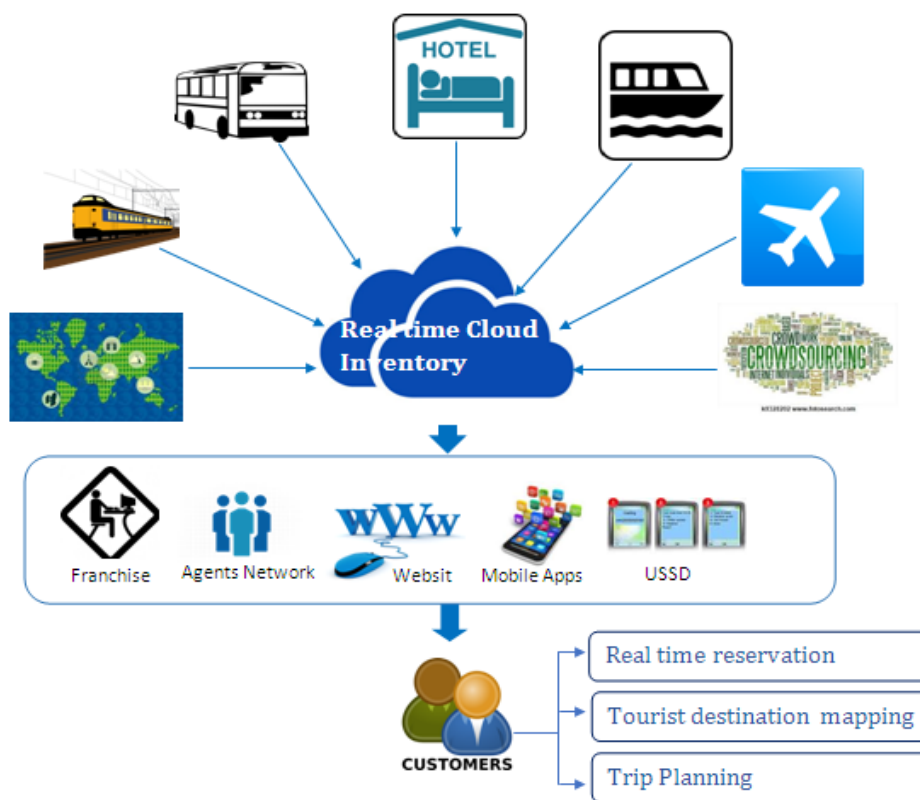
Develop a robust technical platform which can be used as a gateway of travel service arrangement



Beyond your boundaries

What We Are Proposing?

YTM is proposing to aggregate the conventional travel industry by bring an online platform that will have a central inventory, which can be accessed readily by end-user (mass people, agent, franchise) and travel service provider (bus counter, hotel counter, lunch counter, airline GDS etc). The platform will also create additional elements for attracting tourist, such as; tourist location mapping and intelligent trip planning. The whole platform can be accessible through website, apps and USSD. Besides, YTM proposes to create a 3 layer sales channel to bring the service to user's door-step; Direct sales, franchise network and agent network. Multiple payment options should also be incorporate to reach to wider range of users, such as; online credit & debit card, cash on delivery and mobile banking.



Inventory of the platform will either be entirely created by us (for bus, domestic hotel, lunch) or will be connected with an existing inventory (Airline, international hotel, railway).

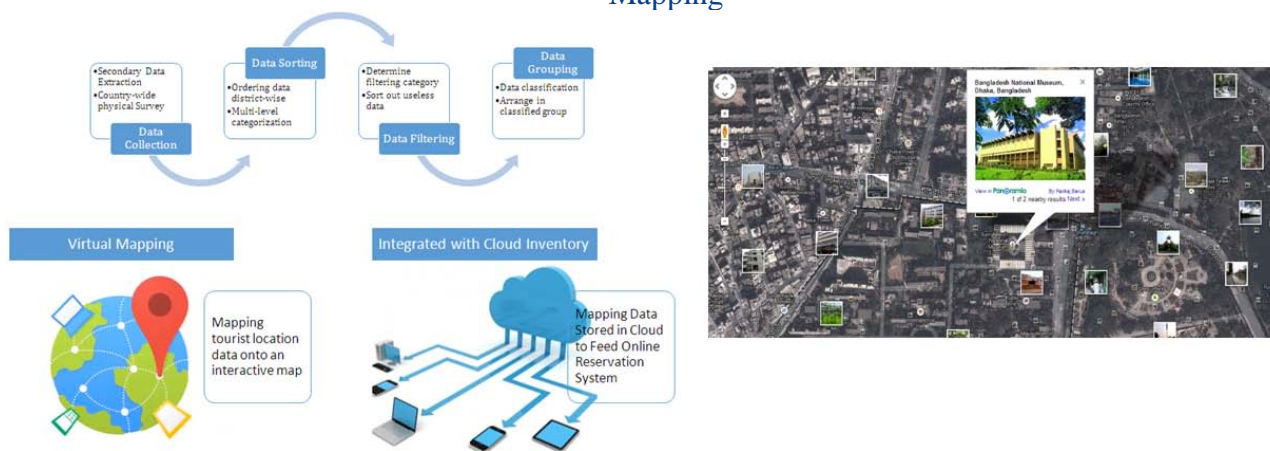
Service Definition

There will be three types of services can be delivered through this platform:

1. Information service
2. Reservation service
3. Auxiliary service (through third party involvement)

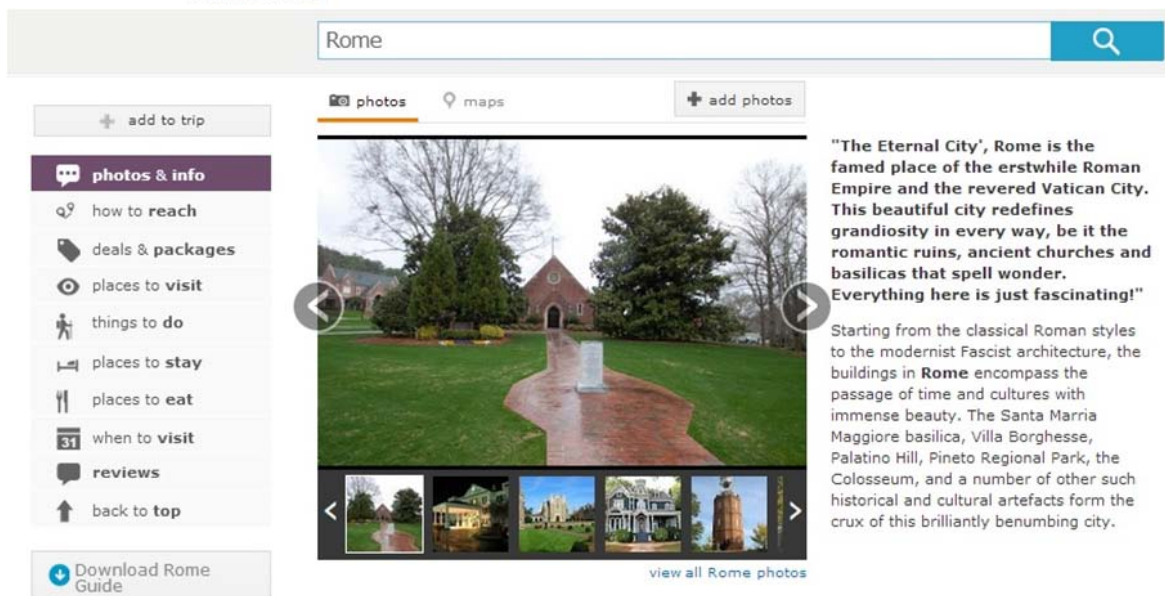
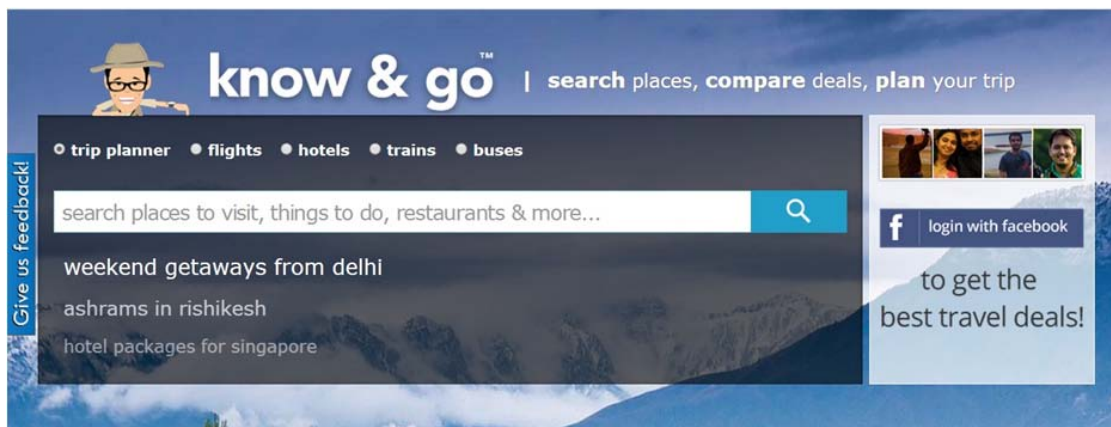
Information service will mainly for prospective tourists. Tourist location mapping and trip planner module will be deployed for information service. This will enable prospective tourist to review the enormous splendid tourist locations across Bangladesh and plan their vacation based on duration, money they want to spend and themes. The information service can be access through all access and sales channel except for USSD.

Mapping

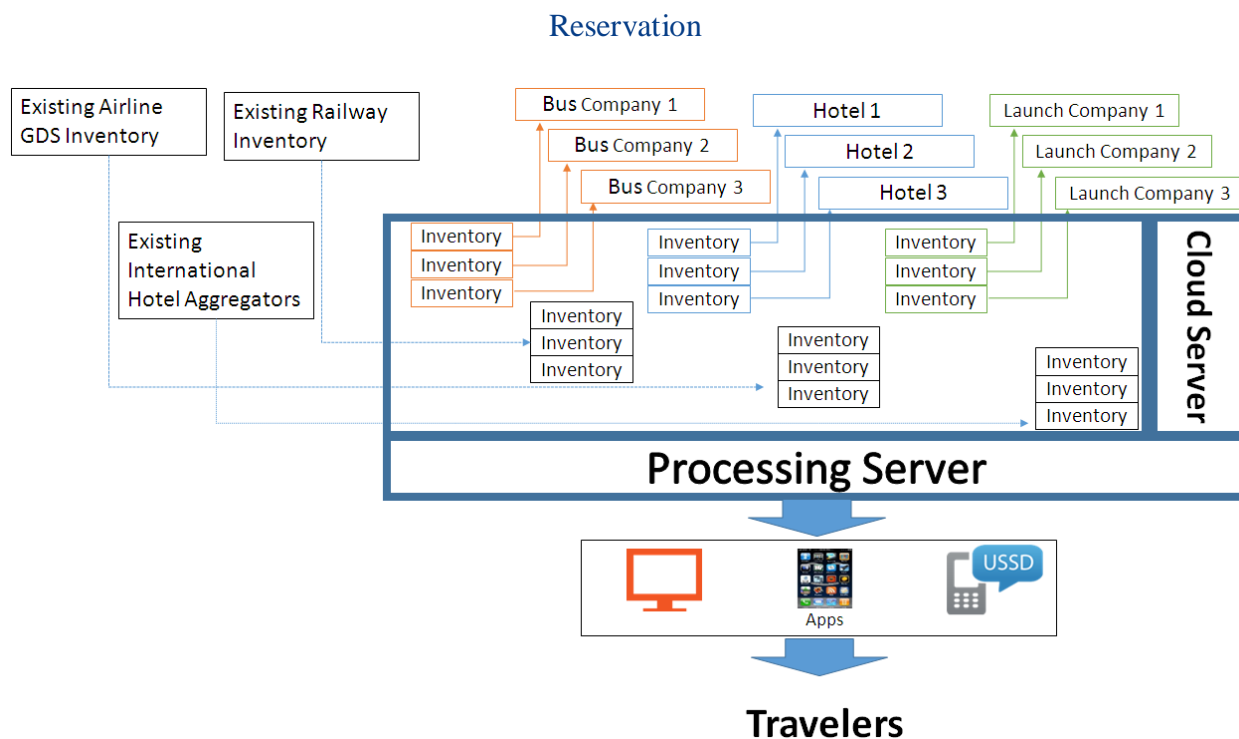


Crowd sourcing can be used for map update on a regular basis

Trip Planning



The reservation service is to search for specific destination related travel facility (bus, lunch, airline, rail, and hotel) and reserve preferred service provider. Travel facility will include long haul bus, long haul lunch, domestic & international airlines and domestic & international hotels. End user will have a competitive advantage to search for his/her own preferred schedule, seat/room/location and price. This will enable end-user to make travel arrangement remotely and let him/her to control travel plan. This may also enable user to have connecting and round-trip bus/lunch services.



Through 3rd party involvement, some **auxiliary** but essential services can be provided to traveler. Such as Visa assistance, travel insurance, travel alert, MICE etc

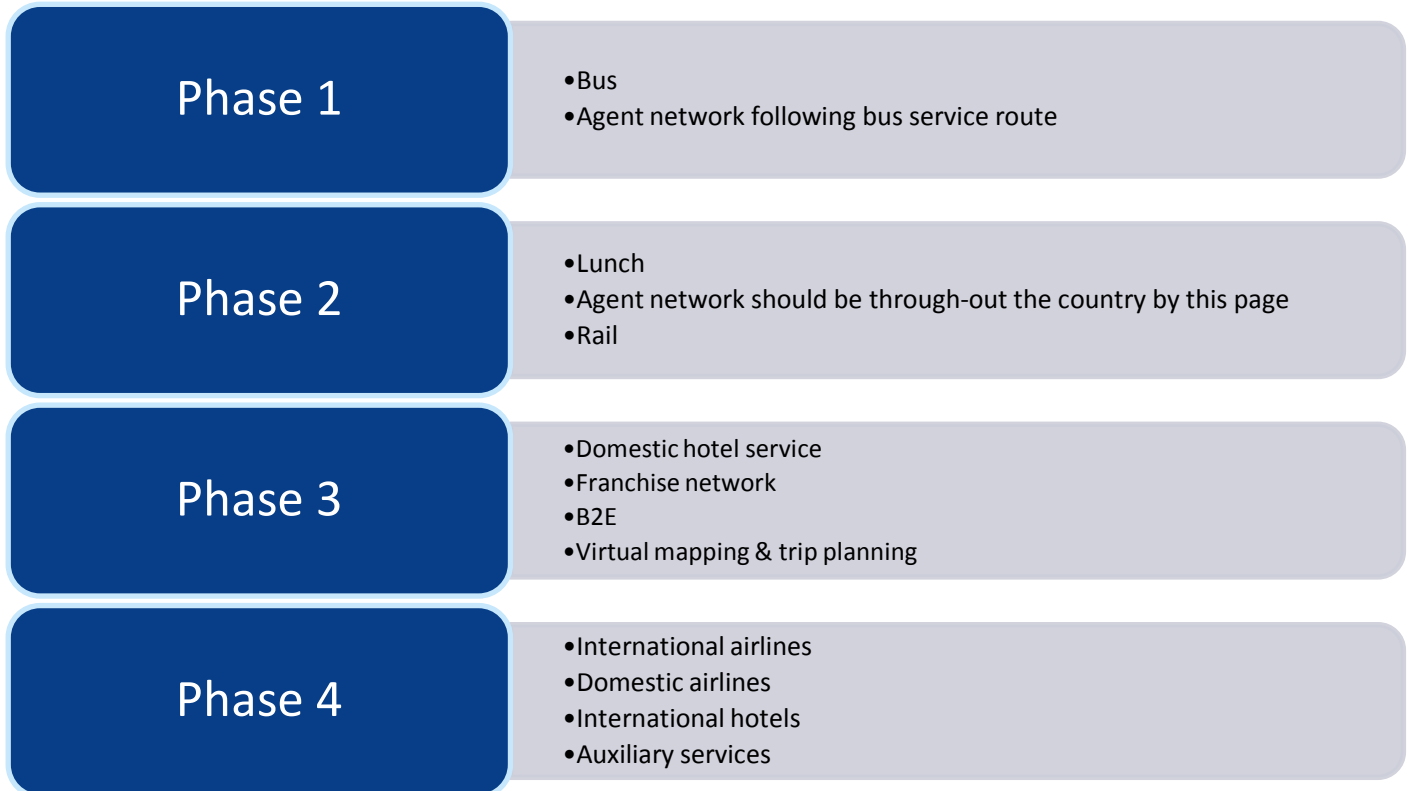
Service Delivery

3 service delivery modules will be crated: B2C, B2B and B2E

B2C	B2B	B2E
<ul style="list-style-type: none"> •Mass people will be the B2C user •Can be accessed through web, apps and USSD •Payment can be made by cash, cards and mBanking 	<ul style="list-style-type: none"> •Agent and Franchise network will be in B2B module •Agent will access through USSD (Bus, lunch and rail only) •Franchise will access through web and apps •Pre-paid virtual payment process will be used 	<ul style="list-style-type: none"> •This module is for Enterprise user. •Enterprises will be created with their personalized and customized account. •Employee of enterprise/coporate can directly search for travel option for business travel •Once travel is selected and travel purpose is described, this module will automatically initiate authorization process by line manager. Once approved, reservation will be made •Service can be accessed by web or apps

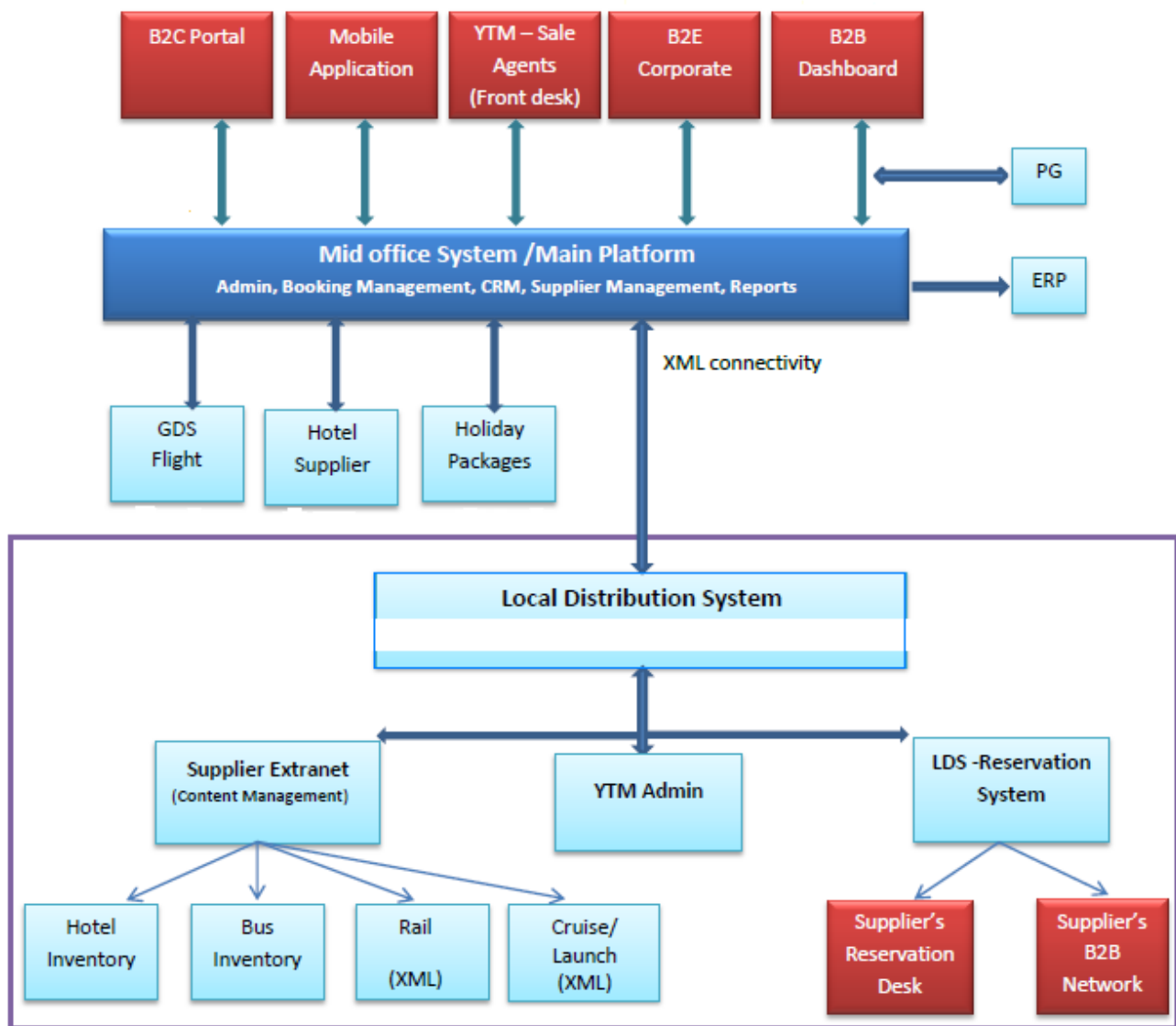
Implementation Plan

The implementation will be divided into 4 phases. It may take about 18 months to bring all services.



System Diagram

Below is the high-level system diagram. It will be a large platform with multiple modules.



This will be a cloud-based system. The entire inventory will be stored at a central server. Traveler, agents and supplier will be accessing the cloud server remotely.

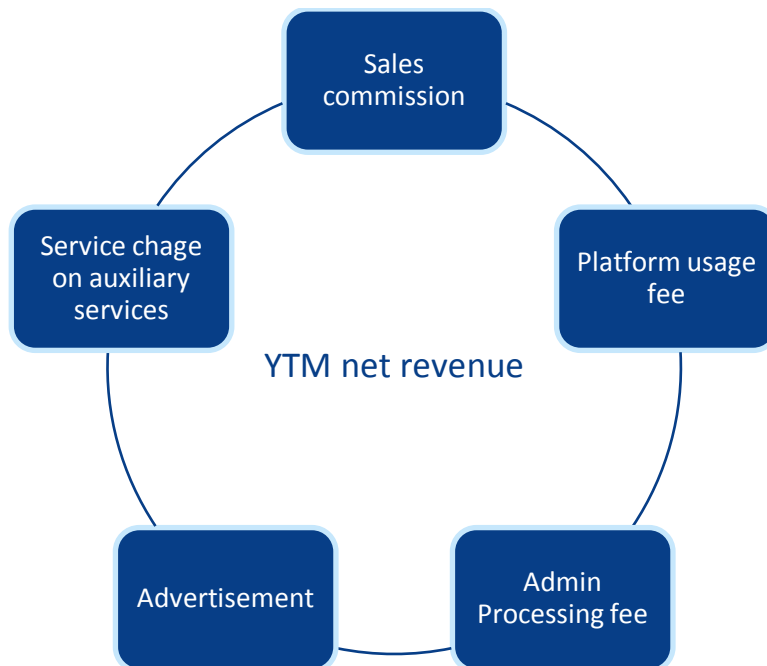
Business Model

OPEXbased business model will be introduced in the entire operation. Outsourcing, external collaboration and joint branding will be given most priority.

In OPEX based model, all the supplier (bus company, lunch company and hotel counters) will be provided with YTM tablet computers with data connectivity and a loaded YTM app in free of cost. All their own reservation will be made through these machines.

Revenue source

There will be 5 revenue sources in this business model:



1. Sales commission: The sales happening through YTM's sales channel
2. Platform usage fee: Supplier will be entitled to pay a small transaction fee for each transaction they make using this platform. The amount will be significantly low comparing to their current ticketing cost.
3. Admin processing fee: User will be a small admin processing fee for international & domestic air ticket, International and domestic hotel reservation.
4. Advertisement: Classified ads and promotion of hotel, airlines etc
5. Service charge on auxiliary services: The auxiliary services will generate revenue.

However we tried to create a sustainable business model even without the revenue from advertisement and service charge on auxiliary services.

Sales projection

Based on a very conservative estimation, we projected sales based on individual service modules. Initially it's a 3 yrs (6 bi annuals) sales forecast based on our implementation plan.

		1st Bi Annual	2nd Bi Annual	3rd Bi Annual	4th Bi Annual	5th Bi Annual	6th Bi Annual
Bus	Cumulative Number of bus to aggregate	1000	1350	1600	2500	3000	3500
	Seat sales through supplier	13,829,760	13,171,200	19,516,800	18,489,600	35,809,280	27,976,000
	Seat sales through YTM direct	1,317,120	1,646,400	3,081,600	3,505,320	10,071,360	15,947,400
	Seat sales through YTM agent	987,840	1,234,800	2,157,120	2,453,724	6,042,816	9,568,440
	Seat sales through YTM franchise	0	0	308,160.0	350,532.0	2,014,272.0	3,189,480.0
	Commission from seat sales	\$493,920	\$617,400	\$1,155,600	\$1,314,495	\$3,776,760	\$5,980,275
	Platform usage fee	\$691,488	\$658,560	\$975,840	\$924,480	\$1,790,464	\$1,398,800
	Commission to pay: Agent and franchise	\$74,088	\$92,610	\$200,304	\$227,846	\$704,995	\$1,116,318
	Net revenue	\$1,111,320	\$1,183,350	\$1,931,136	\$2,011,129	\$4,862,229	\$6,262,757

		1st Bi Annual	2nd Bi Annual	3rd Bi Annual	4th Bi Annual	5th Bi Annual	6th Bi Annual
Lunch	Cumulative number of lunches to be aggregated	4	6	8	10	12	12
	Seat sales through supplier	61,740	92,610	129,086	193,628	194,922	292,383
	Seat sales through YTM direct	4,116	9,004	7,977	10,769	13,759	20,639
	Seat sales through YTM agent	1,029	3,001	5,584	9,573	15,479	25,799
	Seat sales through YTM franchise	0	0	2,393.2	3,589.7	5,159.7	5,159.7
	Commission from seat sales	\$5,145	\$12,005	\$15,954	\$23,932	\$34,398	\$51,597
	Platform usage fee	\$1,544	\$2,315	\$3,227	\$4,841	\$4,873	\$7,310
	Commission to pay: Agent and franchise	\$206	\$600	\$1,835	\$2,991	\$4,644	\$6,708
	Net revenue	\$6,483	\$13,720	\$17,347	\$25,781	\$34,627	\$52,199

		1st Bi Annual	2nd Bi Annual	3rd Bi Annual	4th Bi Annual	5th Bi Annual	6th Bi Annual
Rail	Seat sales through YTM direct	96,000	135,000	84,000	113,400	96,000	144,000
	Seat sales through YTM agent	24,000	45,000	58,800	100,800	108,000	180,000
	Seat sales through YTM franchise	-	-	25,200	37,800	36,000	36,000
	Commission from seat sales	\$30,000	\$45,000	\$42,000	\$63,000	\$60,000	\$90,000
	Commission to pay: Agent and franchise	\$1,200	\$2,250	\$4,830	\$7,875	\$8,100	\$11,700

		\$28,800	\$42,750	\$37,170	\$55,125	\$51,900	\$78,300
		1st Bi Annual	2nd Bi Annual	3rd Bi Annual	4th Bi Annual	5th Bi Annual	6th Bi Annual
Hotel (Domestic)	Cumulative number of Hotels to be aggregated	80	200	300	417	517	647
	Room sales through supplier	256,000	384,000	571,123	856,685	875,365	1,313,048
	Room sales through YTM direct	179,200	268,800	341,606	448,358	538,304	745,344
	Room sales through YTM franchise	-	-	85,402	192,154	289,856	496,896
	Commission from Room sales	\$268,800	\$403,200	\$640,512	\$960,768	\$1,242,240	\$1,863,360
	Admin processing fee	\$22,400	\$33,600	\$42,701	\$56,045	\$67,288	\$93,168
	Platform usage fee	\$15,974	\$23,962	\$35,638	\$53,457	\$54,623	\$81,934
	Commission to pay: Agent and franchise	\$0	\$0	\$38,431	\$86,469	\$130,435	\$223,603
	Net revenue	\$307,174	\$460,762	\$680,420	\$983,801	\$1,233,716	\$1,814,859

		1st Bi Annual	2nd Bi Annual	3rd Bi Annual	4th Bi Annual	5th Bi Annual	6th Bi Annual
Domestic flight	Seat sales through YTM direct	3,750	9,000	9,000	9,450	10,920	15,210
	Seat sales through YTM franchise	-	-	2,250	4,050	4,680	8,190
	Commission from seat sales	\$19,688	\$47,250	\$59,063	\$70,875	\$81,900	\$122,850
	Admin processing fee	\$3,750	\$9,000	\$9,000	\$9,450	\$10,920	\$15,210
	Commission to pay: Agent and franchise	\$0	\$0	\$3,544	\$6,379	\$7,371	\$12,899
	Net revenue	\$23,438	\$56,250	\$64,519	\$73,946	\$85,449	\$125,161

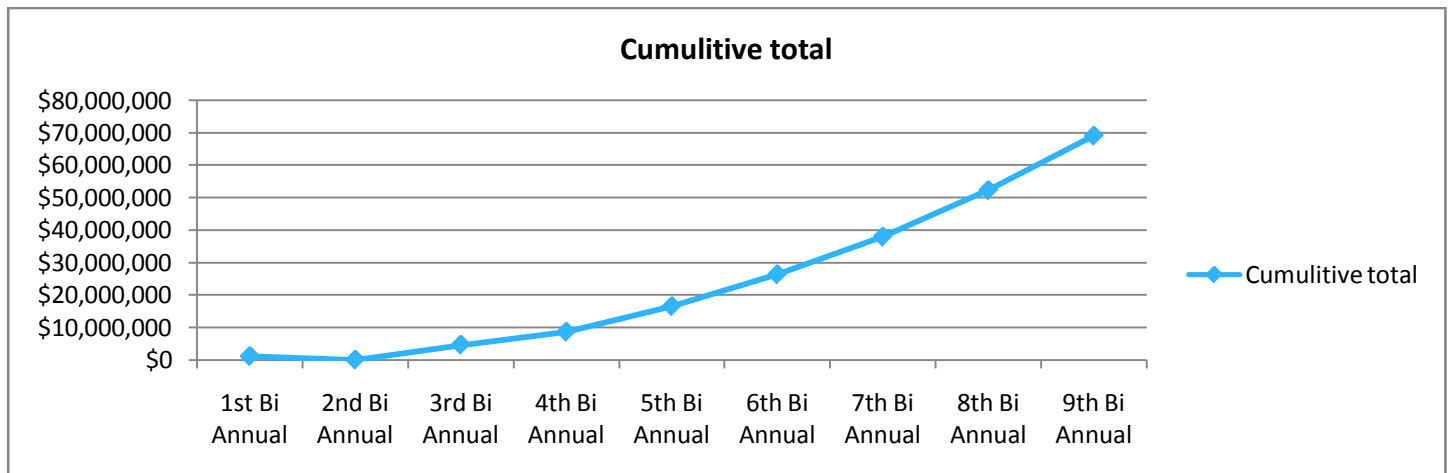
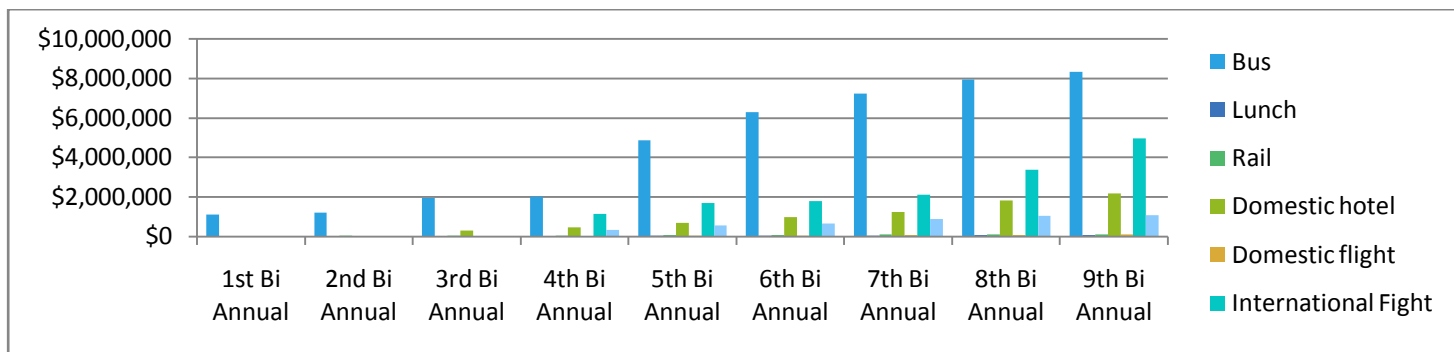
		1st Bi Annual	2nd Bi Annual	3rd Bi Annual	4th Bi Annual	5th Bi Annual	6th Bi Annual
Int flight	Seat sales through YTM direct	32,000	48,000	43,200	46,200	73,920	102,960
	Seat sales through YTM franchise	-	-	10,800	19,800	31,680	55,440
	Commission from seat sales	\$1,120,000	\$1,680,000	\$1,890,000	\$2,310,000	\$3,696,000	\$5,544,000
	Admin processing fee	\$160,000	\$240,000	\$216,000	\$231,000	\$369,600	\$514,800
	Commission to pay: Agent and franchise	0	0	\$113,400	\$207,900	\$332,640	\$582,120
	Net revenue	\$1,120,000	\$1,680,000	\$1,776,600	\$2,102,100	\$3,363,360	\$4,961,880

		1st Bi Annual	2nd Bi Annual	3rd Bi Annual	4th Bi Annual	5th Bi Annual	6th Bi Annual
Int Hotel	Room sales through YTM direct	30,000	50,000	52,000	63,000	73,500	71,500
	Room sales through YTM franchise	-	-	13,000	27,000	31,500	38,500
	Commission from Room sales	300000	500000	650000	900000	1050000	1100000
	Admin processing fee	30,000	50,000	52,000	63,000	73,500	71,500
	Commission to pay: Agent and franchise	0	0	39000	81000	94500	115500
	Net revenue	330,000	550,000	663,000	882,000	1,029,000	1,056,000

Total and cumulative net revenue will be:

Digital inclusion for Travel and Tourism industry

	1st Bi Annual	2nd Bi Annual	3rd Bi Annual	4th Bi Annual	5th Bi Annual	6th Bi Annual	7th Bi Annual	8th Bi Annual	9th Bi Annual
Bus	\$1,111,320	\$1,183,350	\$1,931,136	\$2,011,129	\$4,862,229	\$6,262,757	\$7,202,170.55	\$7,922,387.61	\$8,318,506.99
Lunch	\$0	\$6,483	\$13,720	\$17,347	\$25,781	\$34,627	\$52,199	\$62,638.76	\$68,902.63
Rail	\$0	\$28,800	\$42,750	\$37,170	\$55,125	\$51,900	\$78,300	\$86,130.0	\$90,436.50
Domestic hotel	\$0	\$0	\$307,174	\$460,762	\$680,420	\$983,801	\$1,233,716	\$1,814,859	\$2,177,830.77
Domestic flight	\$0	\$0	\$0	\$23,438	\$56,250	\$64,519	\$73,946	\$85,449	\$125,161
International Fight	\$0	\$0	\$0	\$1,120,000	\$1,680,000	\$1,776,600	\$2,102,100	\$3,363,360	\$4,961,880
International hotel	\$0	\$0	\$0	330,000	550,000	663,000	882,000	1,029,000	1,056,000
Total	\$1,111,320	\$1,218,633	\$2,294,780	\$3,999,845	\$7,909,805	\$9,837,204	\$11,624,431	\$14,363,824	\$16,798,718
Cumulative total	\$1,111,320	\$2,329,953	\$4,624,733	\$8,624,578	\$16,534,383	\$26,371,587	\$37,996,018	\$52,359,843	\$69,158,560



Socio-economic and Environment impact

The overall business model will create an enormous socio-economic and environment impact.

- 100 million domestic people will get access to travel information in 3 years
- Develop the trend of digital payment
- Digital inclusion: Bring digital services for BoP
- Encourage Bangladeshis to explore and experience more which will create local economic activities
- Consumer empowerment
- Self employment generation: Approx 40,000 self-employment will be generated
- Better living standard: By providing access to travel information, it will save \$300M and 1.4B man-hour those can be utilized for economic and social activities which eventually will bring better living standard
- Increase penetration in tourism industry. Enhances the opportunity to export tourism
- Driving investment in travel and tourism sector
- Increase GDP contribution through promoting tourism activities
- Carbon footprint reduction: 20,000 tons of CO2 emission will be reduced in 3 yrs.
- Reduce usage of paper: 268 tons of paper will be saved in 3yrs through this initiative. This will save 6,432 trees from cutting down.

As a whole, YTM has a deeply rooted philosophy to serve its stakeholders, including partners from every operational ends to broader society. Because of its strong customer and social orientation, YTM is confident that not only partnering organization or YTM itself, but also the whole society will gain its share from the business operation.



Recommendation:

Your Trip Mate is bringing a digital solution in travel industry, which will have a huge effect in this sector in next 5 years, but as it going to be information store, it need to present the perfect service quality and valid information. From my perspective, Your Trip Mate Ltd. Should do more research on history and archaeology and focus on the valid information of the tourist places and other services are trying to promote. The sources can be the any researcher individual or group, public and international library for history information and also all the local service information with the price so that it will be easy to plan a trip for this.

Conclusion:

In Conclusion, I would like to say that Your Trip Mate Ltd bringing a huge difference in tourism industry and that will help Bangladesh preform more better than before and earn more foreign revenue and increase a number tourist local and globally both.