

**<Name>**

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# Product Description

XXX is a unique online platform for booking **multi-destination flights** along with hotels that provides significantly lower prices compared to any other existing platforms. Although it provides value to any multi-destination traveler, XXX focuses on couples who plan their honeymoon.

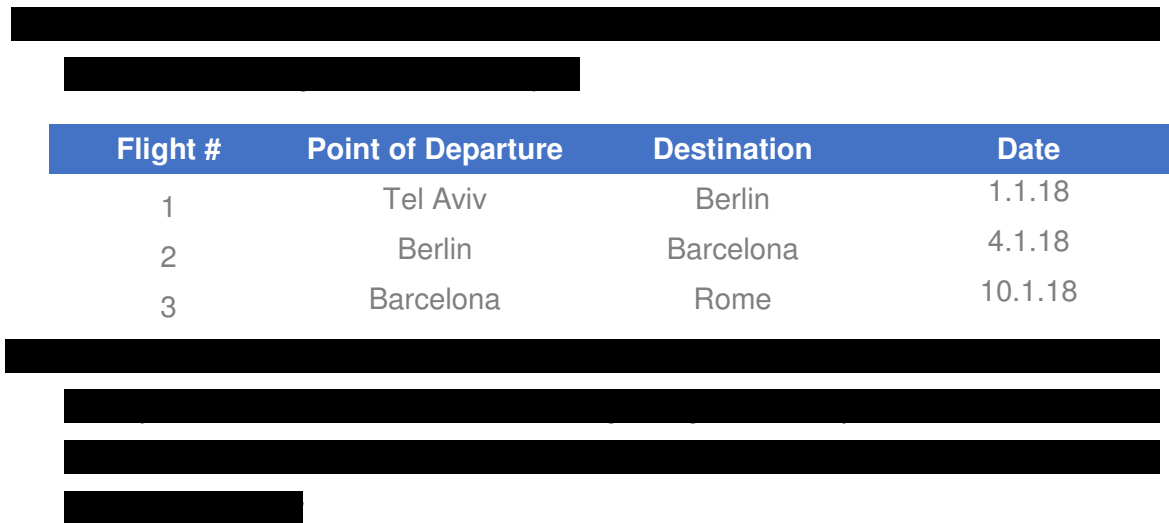
## The Problem

Flight and hotel prices are highly sensitive to dates. A flight from Tel Aviv to Berlin can cost \$600 on one day and \$400 on the next day or even less. This extreme volatility derives from many different reasons, including:

- Seasonal events
- Empty seats in scheduled flights
- High demand for flights in certain dates

There is a need for a sophisticated system that can locate dates where flight and hotel prices are lower and build the most optimal multi destination flight plan for the traveler.

## The Product - How it Works



Flight #	1.1.18	2.1.18	4.1.18	5.1.18	6.1.18	10.1.18	11.1.18	15.1.18
1	\$300	\$250	\$200	\$200	-	-	-	-
2	-	-	\$350	\$300	\$280	\$270	-	-
3	-	-	-	-	-	\$400	\$350	\$300



## Added Value

- ✓ **Much Cheaper Prices** - Due to the high sensitivity of the price to dates, travelers can save in dozens of percents per flight
- ✓ **Calculating Hotels Prices in the Process** - Because hotel prices are also sensitive to dates, the same algorithms are applied to the hotel booking process which further decreases the total costs
- ✓ **Saving Valuable Time – XXX obviates the need to manually search** for the cheapest flight prices or the best dates to fly. By simply entering point of departure, destination and the desire dates, XXX will automatically search for additional flights on nearby dates and optimize costs within seconds

# Competition

The following analysis serves to explore existing competitors in the market that offer multi-destination flight booking services, understanding their advantages, disadvantages, business model and other crucial information that can shed light on XXX's potential.



<https://www.onetravel.com>

OneTravel is a leading website that allows visitors to book flights, hotels and cars.

The screenshot shows the OneTravel flight booking interface. At the top, there are navigation tabs for Flights, Hotels, Cars, and Vacations. Below these are radio buttons for Round Trip, One Way, and Multiple Cities. The main search area contains three flight segments: Paris to Madrid (Jun 14, 2017), Madrid to Berlin (Jun 22, 2017), and Berlin to Rome (Jun 28, 2017). A search button labeled 'Search Now' is visible. Below the search area, the total price is displayed as \$2,356<sup>.49</sup>, with a '2 tickets left!' warning and a 'SELECT >' button. Three flight options are listed:

Airline	Flight	Class	From	To	Class
Air Europa	Flight 1028	Z3H	Paris Orly (ORY)	Madrid Barajas (MAD)	Nonstop
Air Berlin	Flight 5303	32S	Madrid Barajas (MAD)	Tegel Airport (TXL)	Nonstop
Alitalia	Flight 7587	32A	Tegel Airport (TXL)	Rome Fiumicino (FCO)	Nonstop

OneTravel has 4.4 million unique monthly visitors, of which 55% are from the U.S. 40% of the traffic derives from search engines, of which 58% is sponsored.

Qantas Airways is the flag carrier airline of Australia and its largest airline by fleet size. Qantas had a 65% share of the Australian domestic market and carried 14.9% of all passengers travelling in and out of Australia.

## Multi-City

	From	To	Depart
Flight 1	<input type="text"/>	<input type="text"/>	Tue, 13 Jun 2017 
Flight 2	<input type="text"/>	<input type="text"/>	Tue, 13 Jun 2017 
Flight 3	<input type="text"/>	<input type="text"/>	Tue, 13 Jun 2017 

[+ Add a Flight](#)  Flexible with dates

**Adults** 
**Children (2-11)** 
**Infants (<2)**

Qantas' website has 5.4 million unique monthly visitors, of which 77% are from Australia. 37% of the traffic derives from search engines, of which 25% is sponsored




Skyscanner is a leading global travel search site used by millions of people who use it every month. It allows visitors to book flights, hotels, cars, as well as multi-city flights:

[✈ Flights](#) [🏨 Hotels](#) [🚗 Car Hire](#)

Return  One way  Multi-city

Tel Aviv-Yafo Sde Dov (SDV)	Berlin (Any)	12/06/2017
Berlin (Any)	Barcelona (BCN)	15/06/2017
Barcelona (BCN)	New York, NY (Any)	22/06/2017

[+ Add another flight](#)

	19:20 TLV	21h 05 1 stop ATH	→	15:25 <sup>(+1)</sup> TXL	
	15:10 TXL	4h 05 1 stop STR	→	19:15 BCN	
Operated by germanwings, Air Berlin					
	18:30 BCN	8h 30 Direct	→	21:00 EWR	

2 deals from

# £449

**Select →**

Skyscanner's website has 27 million unique monthly visitors, of which 48% are from the U.K. 38% of the traffic derives from search engines, of which 91% is organic.





 **START THE ADVENTURE** <http://www.statravel.co.uk/>

STA Travel is the world's largest travel company for students and young people. It employs nearly 2,000 people in over 200 branches in 12 different countries with gross turnover of CHF 997 million (US\$1,126 million) and net sales – mostly commission on ticket sales – of CHF 141 million.

STA's website has 700K unique monthly visitors, of which 39% are from the U.K and 21% from the U.S. 33% of the traffic derives from search engines, of which 93% is organic.

<b>FLIGHTS</b>	HOTELS	TOURS	INSURANCE
<b>RETURN</b>	ONE-WAY	MULTI CITY	
→	From		
←	Destination		
📅	dd/mm/yyyy	📅	dd/mm/yyyy
Flexible dates			
Students	Under 26	Adults	Teacher
0	0	0	0
<b>FIND A FLIGHT</b>			

# Competitive Edge

<NAME>					
Multi-Destination Flight Booking	✓	✓	✓	✓	
Multi-Destination Hotel Booking	✓	✗	✗	✗	
Dynamic Flight Booking	✓	✗	✗	✗	
Dynamic Hotel Booking	✓	✗	✗	✗	
Honeymoon-Focused	✓	✗	✗	✗	
Monthly Unique Visitors	-	4.4M	5.4M	27M	700K



# Market Analysis








In order to evaluate XXX's market potential, the following aspects will be examined

- Worldwide air traffic & trends
- Business trips
- Multi destination flights
- Honeymooners

## Worldwide Air Traffic

According to a recent data<sup>1</sup>, there are 36.5 million flights annually or around 100,000 per day. Most of them take off from America, with airports there registering 9,553,214 commercial departures in 2014.

U.S. is by far the leading country with the most passengers carried with almost 800 million passengers, followed by China with 436 million and the U.K. with 131 million.

Country	1970	2015	
United States	163,448,992	798,230,000	
China		436,183,969	
United Kingdom	15,568,800	131,449,680	
Germany	6,498,000	115,540,886	
Japan	16,315,100	113,762,000	
Ireland	1,476,300	113,144,501	

The total number of flights is growing every year. Since 2012, the number of annual trips

<sup>1</sup> [http://www.dailymail.co.uk/travel/travel\\_news/article-3211435/Most-frequent-flyers-revealed-world-s-36million-annual-flights-America.html](http://www.dailymail.co.uk/travel/travel_news/article-3211435/Most-frequent-flyers-revealed-world-s-36million-annual-flights-America.html)

has grown by 4-5% every year, as seen in the table below:

	2012	2013	2014	2015 YTD
Outbound trips	+4%	+4%	+5%	+4.5%
Outbound nights	+2%	+4%	+3%	+3%
Outbound spending per night	+9%	+1%	+2%	+4%

Source: World Travel Monitor® 2015, IPK International

## Business Trips

A staggering number of people hit the roads and fly the friendly skies for business purposes each year. The Global Business Travel Association pegs the number of business trips taken annually in the U.S. at **488 million**. For older, more experienced travelers, that means an average of 12 trips per year (with 4 nights away from home each trip). For younger business travelers, that means an average of 14 trips per year (with 6 nights away from home each trip).

The number of women who are traveling for business has taken a sharp upturn over the last decade or so. Women account for approximately 47% of all business travelers. Older workers are more likely than their younger counterparts to travel for business. On average, the typical business traveler is 45.9 years old, according to the U.S. Travel Association

Some cities tend to attract more business travelers than others. According to an American Express survey, the top U.S. city for business travel is Chicago, while London takes the crown for global business trips.

The Department of Transportation estimates that just 7% of business trips involve a distance of 1,000 miles or more while 74% of business travelers visit a destination that's less than 250 miles from home.

## Multi Destination Flights

According to a study<sup>2</sup>, 68% of tourists visit 1 destination and 32% visit 2 locations or

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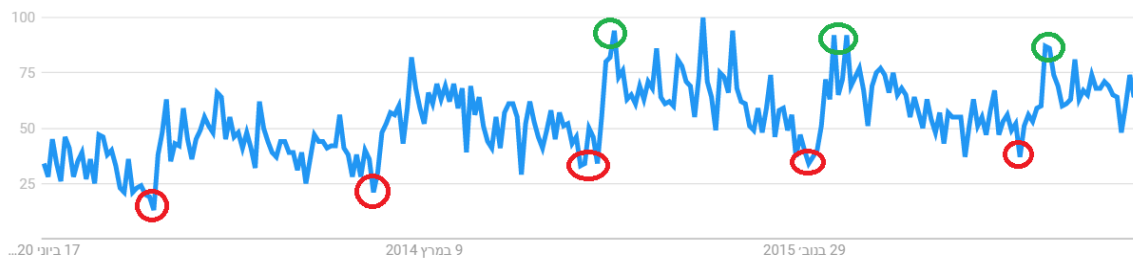
<sup>2</sup> [https://www.researchgate.net/publication/256409769\\_Multi-Destination\\_Trips\\_and\\_Tourism\\_Statistics\\_Empirical\\_Evidences\\_in\\_Sicily](https://www.researchgate.net/publication/256409769_Multi-Destination_Trips_and_Tourism_Statistics_Empirical_Evidences_in_Sicily)

more. The table below describes the breakdown of the number of destinations visited by tourists:

<b>Number of visited destinations</b>	<b>Tourists</b>	<b>%</b>
1	2,683	68.18
2	567	14.41
3	318	8.08
4	195	4.96
5	74	1.88
6 or more	98	2.49
<b>Total</b>	<b>3,935</b>	<b>100.00</b>

Although this data is a small sample that cannot imply for the entire market, almost every major competitor, as described above, offers a multi-city booking option, suggesting that there is a significant market for this type of flights.

Google Trends further strengthen this claim. The graph below shows the popularity of the keywords "Multi City/Destination Flights". Around December (highlighted with red) there are fewer people searching for these keywords while January (Green) has the most.



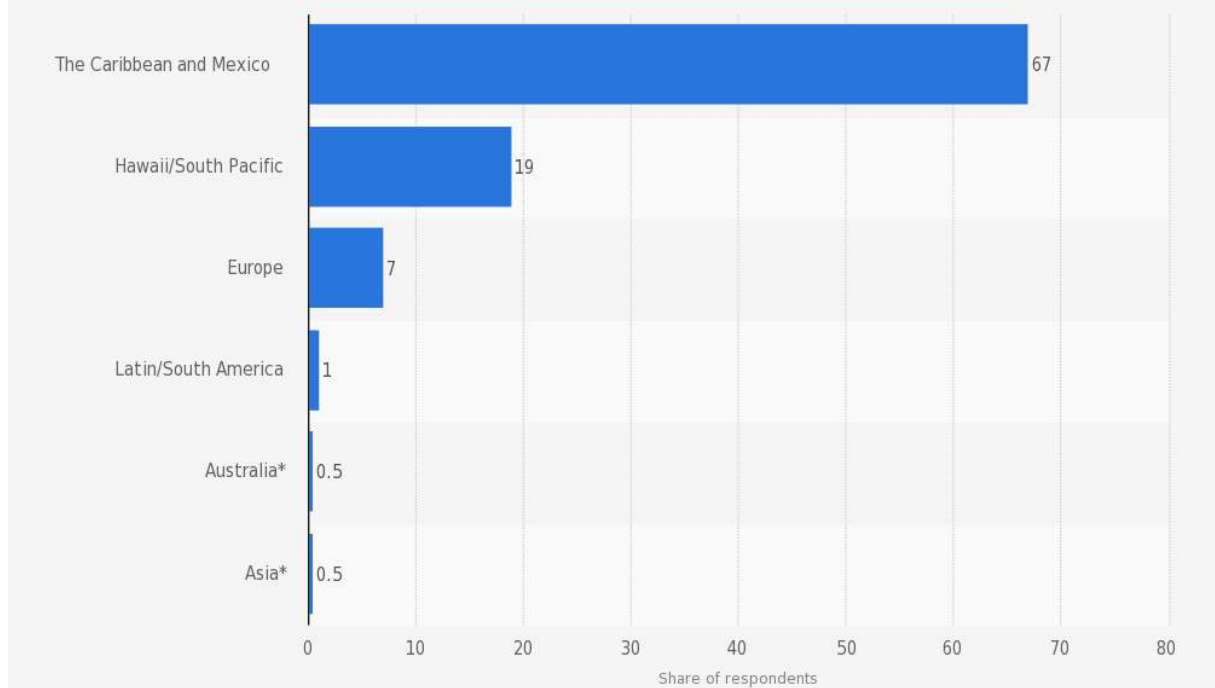
## Honeymooners

Every year, 1.4 million U.S. couples go on a honeymoon<sup>3</sup>. Among couples who choose a traditional wedding, 99% take a honeymoon<sup>4</sup>.

<sup>3</sup> <https://www.tripsavvy.com/wedding-statistics-and-honeymoon-facts-1860546>

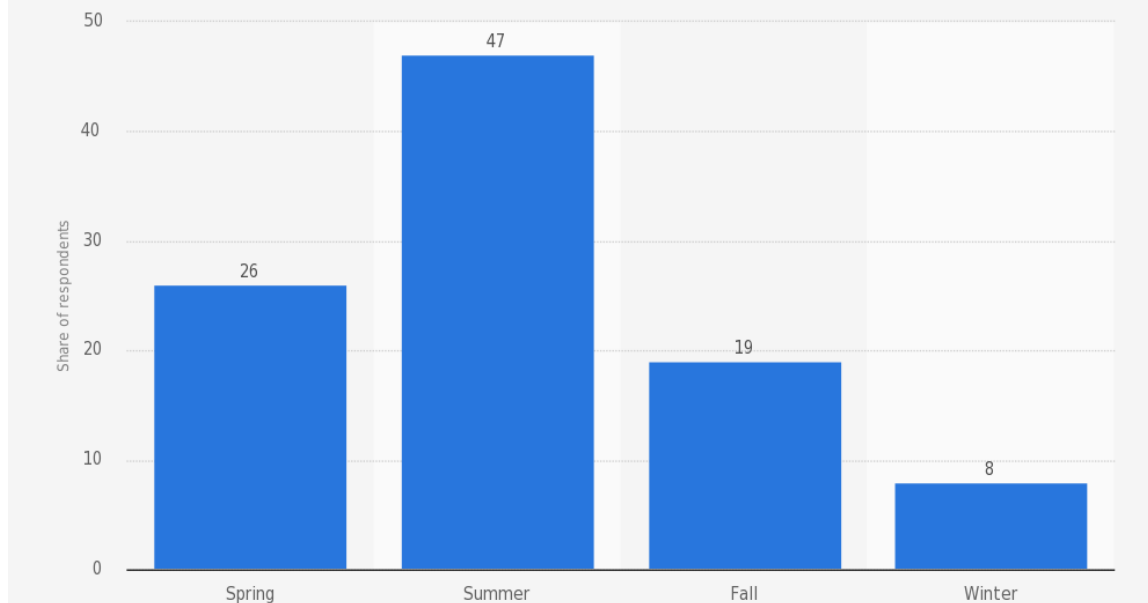
<sup>4</sup> <https://www.tripsavvy.com/wedding-statistics-and-honeymoon-facts-1860546>

### Most popular destinations for North American honeymooners in 2014



More than 2/3 of American honeymooners are going to The Caribbean and Mexico for their honeymoons. Hawaii and South Pacific are the second destination for Americans honeymooners since 19% of them are going there. Finally, 9% of Americans choose Europe, Latin/South America, Australia or Asia for their honeymoons.

### Most popular travel seasons for North American honeymooners as of March 2014



While Summer is the most popular travel season, most honeymooners plan their

honeymoon on January, according to Google Trends:



# Business Model

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## Target Market

The market analysis revealed that Western countries such as the U.S., U.K and Germany have the highest number of travelers every year, in addition to China and Japan.

XXX will target the U.S. first where the number of travelers every year is significantly higher than the rest.

## Target Audience

XXX's competitive edge is manifested in its ability to provide much cheaper prices for multi destination flights. Hence, its target market comprises of travelers that usually fly to multiple destinations, specifically newly wedded couples who plan their honeymoon.

The reasons for focusing on honeymooners are as follows:

- Young couples are usually more calculated about their expenses than older people since their capital is usually lower than more established couples
- By targeting a niche group, XXX hopes to penetrate the market more effectively and then, once it's established itself in this niche, expand to other niches
- Honeymooners are likely to find the most value in XXX since honeymoons are usually consist of more than one destination
- Honeymooners are less dependent on schedule than working men and women, hence XXX's dynamic booking system will suit them better

## Revenue Model

XXX's revenue model is based on the Agency Model - a commission-based model wherein hotels and airlines give online travel agencies commissions based on business bought. From hotel bookings, XXX will charge an average commission of 10-15% and from flights anywhere between \$10 and \$40 per flight booked<sup>5</sup>.

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<sup>5</sup> <https://www.quora.com/How-much-does-a-travel-agent-make-when-booking-a-plane-ticket-for-me>

## Marketing Channels



### Google AdWords & SEO

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The competitors' analysis revealed that search engine is the number one traffic generator to the competitors' websites. Hence, XXX will execute an aggressive SEO strategy and will allocate much of its funding to Google AdWords to attract people that are looking for specific keywords that are associated with XXX.



### Media Buying

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XXX will use Google Display Network and other display networks to place online ads in websites that are associated with tourism. These sites attract many of XXX's target audience and placing display ads will yield significant traffic to our website.



### Facebook

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The first entity that knows when a couple got engaged is Facebook. Through Facebook targeted ad system, XXX will easily target newlywed couples from Western states that will soon start planning their honeymoon.



### Email Marketing

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XXX will establish cooperation with newsletters and websites that have massive subscribers related to traveling and tourism. XXX will use their database to reach its audience through email marketing that is considered cheap and targeted marketing method.



### Wedding Halls

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XXX will approach wedding halls in the target states and use them to reach newlywed couples. Using wedding halls, future honeymooners will be given promotional materials

(e.g. bulletin) that will bring XXX to their minds.

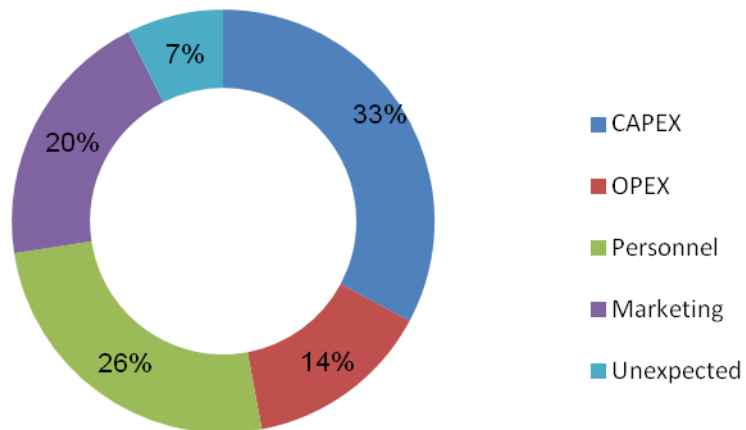


# Financial Plan

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XXX is looking to raise **\$200,000** that will allow it to achieve the following milestones:

- Develop Web platform
- Initial launch and marketing budget for reaching at least 800 transactions within the first quarter



The following financial plan represents the future prediction of the company's operations. The assumptions and projections are supported by the figures and strategies described in the business plan.

CF	R&D				Year 1	Year 2	Year 3	Year 4
	Q1	Q2	Q3	Q4				
<b>Income</b>	-	-	-	120,968	120,968	725,806	2,419,355	6,048,387
CAPEX	20,000	20,000	30,000	28,400	98,400	76,000	83,600	94,800
OPEX	3,000	3,000	6,000	30,750	42,750	69,900	98,880	142,356
Personnel	-	-	-	76,500	76,500	582,290	822,968	1,190,419
Marketing	-	-	-	60,000	60,000	230,000	540,000	1,050,000
<b>Total Operating Expenses</b>	<b>23,000</b>	<b>23,000</b>	<b>36,000</b>	<b>195,650</b>	<b>277,650</b>	<b>958,190</b>	<b>1,545,448</b>	<b>2,477,575</b>
<b>Operational CF</b>	<b>-23,000</b>	<b>-23,000</b>	<b>-36,000</b>	<b>-74,682</b>	<b>-156,682</b>	<b>-232,384</b>	<b>873,907</b>	<b>3,570,812</b>
Tax (25%)	-	-	-	-	-	-	-	714,162
<b>Net CF</b>	<b>-23,000</b>	<b>-23,000</b>	<b>-36,000</b>	<b>-74,682</b>	<b>-156,682</b>	<b>-232,384</b>	<b>873,907</b>	<b>2,856,649</b>

