

SPOTLIGHT

# Dotcom daddies

They are the original kings of the Internet, having launched their online businesses long before the Indian start-up boom. And, they have managed to not only survive, but flourish in an ecosystem where companies mushroom and shut down overnight. What made them ride the wave and not go under? **Kunal Doley** finds out



## Game, set, match!

**MURUGAVEL JANAKIRAMAN**  
 Founder & MD, Matrimony.com  
 (parent company of BharatMatrimony)

**Started in:** 2000

WHILE working as a software consultant for Lucent Technologies in New Jersey, US, Murugavel Janakiraman developed a small Tamil community website in 1997. A small section dedicated to matrimony attracted steady traffic, which eventually gave him the idea to start BharatMatrimony in 2000. But instead of focusing on dating services, which were popular (and still are) in the West, Janakiraman decided to go for a matchmaking site because "marriages are big business in India".

"As per an online matchmaking report released in 2014, there were approximately 58.50 million individuals in India who were actively seeking prospective life partners. Online matchmaking accounts for approximately 4% of marriages in India. That is a huge opportunity for us," explains the 46-year-old founder and MD of Matrimony.com, the parent company of BharatMatrimony.

Janakiraman initially began with Tamil and Telugu matrimony, but soon expanded to other linguistic communities. Today, the umbrella brand, BharatMatrimony, consists of 15 sub-sites targeted at people speaking different Indian languages. Over the years, it has drilled down to micro layers such as AssistedMatrimony.com, EliteMatrimony.com and CommunityMatrimony.com.

"We were able to leverage technology to become one of the first companies to provide online matchmaking services in India," he says. "The Internet was in its in-

fancy when we started. We had a basic site with a few of the robust features that we still have today. Yet, the willingness of people to pay for the details of the matching partner made us realise that our business model was sound," he adds.

Today, BharatMatrimony has become one of the "most trusted online matrimony brands for Indians", as per a 2014 The Brand Trust Report, an annual study that lists the most trusted brands in India. With a database of 2.65 million active profiles who are looking for life partners, the portal has added over 20.89 million free profiles to its database since January 2006.

From matchmaking services, the company has also ventured into wedding services by introducing MatrimonyPhotography.com to provide wedding photography and videography services.

"We have evolved by continuously adapting to the changing technology and consumer behaviour. We tried to be agile, did not lose the initial entrepreneur zeal and never gave up even during tough times," explains Janakiraman, adding, "We did not have any external funds. Our dependency on revenues generated by us for growth and expansion kept us going. We tried to keep costs down, innovate continuously and keep growing. In fact, our first round of funds came six years after we started."

The company is planning to go for an IPO soon. The plans are to raise around ₹350 crore as primary offering into the company and offer another 1.63 million shares in secondary sales by investors, as per reports.



### SUCCESS MANTRA

● Continuously adapting to changing technology and consumer behaviour; keeping initial entrepreneur zeal and not giving up even during tough times

### SUCCESS MANTRA

● Willingness to look at new avenues and platforms; a full stack of fresh services; and the premium, value-added proposition

## Moving ahead with the times

**DEEP KALRA,**  
 Chairman & group CEO, MakeMyTrip

**Started in:** 2000

WHEN Deep Kalra started MakeMyTrip in the US in 2000, it couldn't have been a more ominous start. The dotcom bubble burst, followed by the 9/11 terror attack and the outbreak of the Severe Acute Respiratory Syndrome (SARS), all of which had a direct impact on the global travel business. Funding was hard to come by. At one point, Kalra was even advised to shut down the business.

"I distinctly remember that within three months of the launch, it was clear to us that Indians were not yet ready to book online; they only wanted to search and look. This, at a time when people in the overseas markets, particularly NRIs, were comfortable buying online," says 47-year-old Kalra, chairman and group CEO of the Gurgaon-headquartered online travel company.

What changed for travel in India then were two big things—the Indian railways launching the Indian Railway Catering and Tourism Corporation (IRCTC) that got the average Indian to buy online; and secondly, the advent of low-cost airlines. "Traditional travel agents did not get their inventory and we saw that as a huge opportunity to leverage technology and give to customers what they wanted. So we aggregated all of it and at the backend built direct connect with these airlines. The real take-off for MakeMyTrip was in 2005 when we launched in India," says Kalra, an IIM-Ahmedabad alumnus.

As a first, apart from flight ticketing, MakeMyTrip began by offering holiday packages and hotel bookings, which were followed by their tie-up with IRCTC's online business model. This move not only increased

their presence in railway ticket booking, but also gave the much desired boost the Indian market was looking for. In a matter of no time, the company started making huge revenues. The demand was so much that one out of every 12 domestic flights in India were booked through MakeMyTrip at one point of time. Within a year, the company had acquired two lakh happy customers. As a matter of fact, when the world was in recession in 2008, the company was crossing its ₹1,000-crore mark.

But the biggest news came when MakeMyTrip had a successful IPO on Nasdaq in 2010, becoming the first Indian travel company to list overseas. Today, it's the dominant market leader with 40% market share (as per reports). "Remaining reliable, efficient and at the forefront of technology, our commitment and customer-centricity allow us to better understand and provide for the diverse needs and wants of travellers. We enjoy the reputation of being technology-forward and innovative, and delighting customers through service and value-based offerings," says Kalra.

In its journey towards further capturing the market, MakeMyTrip announced the acquisition of Ibibo, a smaller rival, in October this year. The deal, valued at about \$1.8-2 billion as per reports, also signalled the birth of an online travel giant. The newly-merged entity is now expected to dominate the space with an overall market share of between 50% and 60%, say experts. "With the merger, we are excited about the growth opportunity in the online hotels segment and the headroom it offers us to take that on together with aligned operational efficiencies. MakeMyTrip, RedBus and GoBibo are all very prominent consumer brands in the travel space," adds Kalra.



## The B2B baron

**DINESH AGARWAL**  
 Founder & CEO, IndiaMart

**Started in:** 1996

DINESH Agarwal founded IndiaMart as the country's "first online B2B directory" in 1996. Within a year, it had registered 100 clients on its platform. Today, the number stands at more than 26 lakh suppliers. "Things have changed dramatically for us in the past two decades," says Agarwal, who started out as a trader in fertilisers before jumping onto the website business in 1996.

But back then, there was no such term as 'e-commerce' in India. So the 47-year-old Noida-based founder and CEO started a website—an online directo-

ry of small and medium businesses—that connected buyers with suppliers, provided product and pricing information, and helped generate business leads. "In more ways than one, we were disruptors, not just because we brought in newness within the SME space, but also because we set the tone for an alignment not thought about earlier," he adds.

Today, this business is a ₹300-crore profitable entity and has set the pace to generate 10 million buying enquiries every month, with transactions worth over ₹30,000 crore. And Agarwal did it by focusing on connecting and serving people who are often not championed—small and medium enterprises (SMEs). "Not only did the website enhance an SME's presence beyond geographical barriers, it was also a slick, smart and 'now' proposition. It made them look up-to-date and efficient. Although Internet and computer penetration were low, businesses could look to access

buyers in the international markets. The fact that we broke even in the first year of operations bore testimony to this," says Agarwal.

But soon came the dotcom bust in 2000; several businesses that had reached market capitalisation in hundreds of millions of dollars became worthless within a matter of months. But for Agarwal, the period brought opportunity to have a re-look at his business, tighten the processes, improve cost-consciousness and cast the net wider to acquire new customers. By 2001, IndiaMart had around 1,000 paying customers. "We had charted an ambitious 10x growth target in five years to reach 10,000 customers and expand to 5,000

product categories by 2006", says Agarwal.

Talking about IndiaMart's "continuing existence", Agarwal says, "As I said, we were disruptors many times over. The ingredients and the scope were all there—a buoyant SME-driven market; the will-

ingness to look at new avenues and platforms—in our case, the Web; a full stack of fresh services; and the premium, value-added proposition."

As a B2B platform, IndiaMart has direct competition from Chinese e-commerce major Alibaba, but Agarwal feels more competition means more market development. "If you see, the market size is very large. It's a trillion-dollar trade opportunity. By the entry of Alibaba, the supplier base will be more educated," he says.

IndiaMart only maintains an online database of B2B players, but in order to take on the likes of Amazon.in and Alibaba (which has stakes in Snapdeal and Paytm) in the lucrative B2B e-commerce space, it launched a full-fledge e-commerce site for SMEs, Tolexo.com, in 2014. In March this year, IndiaMart raised an undisclosed amount (largely to be used for Tolexo) in Series C funding led by Amadeus Capital, and in which Westbridge, UK-based Quona Capital and existing investor Intel Capital also participated.



## A lasting bond

**ANUPAM MITTAL**  
 Founder & CEO, People Group,  
 (parent company of Shaadi.com)

**Started in:** 1997

THE story behind the inception of Shaadi.com has now become a part of popular business lore.

When founder Anupam Mittal was pursuing his MBA degree from Boston University, US, in the mid-1990s, he used to often come back to India during breaks. During one such visit in 1997, he was sitting at his father's office when a traditional 'matchmaker', posing as his father's friend, approached him with a few profiles of 'eligible women', trying to get him 'hitched'.

While Mittal got rid of him eventually, he was quite intrigued by his profession. What if all the information such men held were put up on the Web and made accessible for those searching for a bride or groom? This would not only remove all the inefficiencies and address geographical limitations, it would also ease out the process drastically.

He then brainstormed the idea with a team of four, with whom he had formed a Web development company, and continued to do so even after resuming his studies in the US. Soon, Mittal launched the first version of his matchmaking site called Sagaal.com. "It was an experiment. Our focus was more on Web development because that was what was earning money. In 2001, I quit my job in the US and moved back to India, and we changed the name to Shaadi.com," says Mittal.

By the time Mittal returned to India for good in 2003,

the company had already set up offices in New York and London. "Nobody took me seriously. Most people laughed at me, with some even writing me off," says the 44-year-old Mumbai resident.

Also, since its initiation, the company faced numerous challenges; till about 2005-06, people barely understood what the company did. People would often raise questions like, "Why should we go online to find a suitable mate?" and "What if there is a bot on the other side and not a real person?" Hiring the right kind of people was a huge problem as well. Mittal ignored the negative feedback and, by 2006, his efforts paid off. Today, Shaadi.com has 35 million members and counting.

With 15,000 registrations happening daily, four million members have found their matches through Shaadi.com.

Alongside, Mittal's parent company, People Group, started businesses such as Makaan.com and Mauj Mobile. He also became an active angel investor with investments in several

companies such as Ola Cabs, Interactive Avenues, Little Eye Labs, Druva and PropTiger, among others.

So what is it that worked in Shaadi.com's favour, which made it into the online giant that it is today? Traditionally, most matchmaking depended on staid classified advertisements or the outdated database of the local marriage bureau. Shaadi.com, on the other hand, used proprietary technology to transform matchmaking into an interactive and exciting experience.

### SUCCESS MANTRA

● Using proprietary technology in a market used to staid classified advertisements to transform matchmaking into an interactive and exciting experience

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