

# CONQUERING A RECESSION THROUGH BOOMING HOTEL SALES

A JOINT VOLALA, GIMMONIX & TRIP SCIENCES SUCCESS STORY

Volalá, a mid-sized OTA from Argentina had been impacted by the recent economic downturn in its target market. The biggest hurdle they were facing was the devaluation of the local Peso, which put a real strain on consumers' ability to spend on travel – as well as on Volalá's own margins. To combat this, they began searching for a new, underserved sector they could leverage to shore up their sales. That's when a mutual contact referred them to Trip Sciences.



“A former colleague from my Amadeus days suggested that I meet with Trip Sciences’ CEO, Amit Golan. Amit told me about how his company’s mobile travel e-commerce platform helps OTAs like ours generate traffic on mobile and then turn that into mobile conversions. He really stressed the importance of a native mobile experience and shared the best practices to own the mobile channel. Before deciding to pursue it, I raised the question about how we could go about implementing hotels into the app, as they were a high margin product in our portfolio; that’s when Amit suggested Gimmonix.”

**José María García Casabal, Volalá’s CEO.**

To move forward with the project, Amit brokered a meeting between Volalá, Trip Sciences, and Gimmonix. During this meeting and in the ensuing weeks, Volalá shared their pitfalls when it came to establishing a robust hotel offering.

## THE INITIAL STRUGGLE

**Volalá had already been selling hotel bookings on their website, but technical troubles resulted in a limited hotel product with poor sales performance.**

Their technical team made several attempts to make improvements, but development ran into an insurmountable hurdle when it came to the aggregation and mapping of hotel inventory from over 40 providers Volalá had contracts with. For each supplier added, the technical difficulties grew, preventing a bulk of their inventory from being sellable.

“It felt like our hotel learning curve never started. We were stuck trying to add more providers, and every time we did, new problems emerged. Without solving the technical challenges, we couldn’t start learning the business of selling hotels.”

**José María Garcia Casabal, Volalá’s CEO.**

Volalá needed an initial solution to establish their hotel product.

## THE SOLUTION – MOBILE AND HOTEL VERTICALS

“When we partnered with Volalá, we took a deep dive into their business, learning their challenges, solving technical hurdles and sharing our knowledge on what they would face once we turn them into a mobile powerhouse. As part of this journey, when they described their hotel situation, I had no doubt that adding Gimmonix, with which we have a built-out integration as well as a strong partnership, was going to do wonders for them.”

**Amit Golan, Trip Sciences’ CEO.**

Gimmonix’s proposed solution was Travolutionary, which would provide the connectivity framework necessary for their hotel product to take off as well as their connection to the Trip Sciences platform, eliminating two birds with one stone.

“The most pleasant surprise I had in developing this three-way partnership was this immediate understanding from our counterparts at Trip Sciences and Gimmonix of what everyone was bringing to the table. They knew what Volalá’s core values were, and could take the subsequent steps necessary to contribute to our greater vision.”

**José María Garcia Casabal, Volalá’s CEO.**



## THE RESULTS

Within weeks of going live with hotels in the app, Volalá was impressed by its performance. The interface between Trip Sciences and Gimmonix proved immediately useful as Volalá was able to hit the ground running in connecting multiple providers, drastically reducing their time to market. Along with the new mobile tools at their disposal thanks to the Trip Sciences platform, hotel sales started growing rapidly.



# 6X

Overall increase in hotel bookings



# 33%

Overall gross margins increase



# 10%

Of total revenue generated by the mobile app

“Our initial goal was to get 5% of total revenue generated by the app, but very quickly we grew past 10%. Seeing that, and given hotels performed incredibly well in the app, we thought ‘Ok, if hotels sell this well in the app, what would happen if we connect Travolutionary to our website as well? The results have been nothing short of amazing: in less than 6 months, our hotel sales grew sixfold and overall gross margins improved by 33%!”

**José María Garcia Casabal, Volalá’s CEO**

## ON INTERNAL DEVELOPMENT VS. OUTSOURCING TECH

As the CEO of a travel agency, José María Garcia Casabal is very clear on what he and his team should be focused on: “The truth is, there are guys out there who are highly specialized in their trade, and they are always going to be better than us in that, simply because that is what they do; and that’s a good thing, because our job is also clear - convincing people to buy travel from us. We can’t do that and at the same time develop all the technology we use (and in this business, you need technology for pretty much everything). Yes, we can do some of it internally, but in the more involved, highly specialized parts, where we know others who are really good at that, we’d rather use their solution instead of reinventing the wheel. That approach has proved to be the right one for us.”

## THE FUTURE

By establishing two successful verticals, hotel and mobile, Volala has found economic stability and growth, during a prolonged economic downturn. Through these changes, Volala has cemented themselves as a leading travel brand in Argentina as they continue to convert more locals away from brick and mortar travel services to their web-based service.