

The logo for 30K, featuring the number '30' and the letter 'K' in white on a teal square background.

13 Questions with 30K's founding team Alex, Rui and Vitaly

Q: Tell us how you founded the company, why and what made you decide to jump in and create the business.

A: 30K provides an API solution to travel search and related companies that allows them to inform their users, at the time of a flight search, of the exact number of frequent flyer miles and points they can earn from each fare option, according to 50 different frequent flyer programs.

The core of our solution lies in the lack of a convenient way for regular frequent travelers to understand what travel loyalty entails and how you can best optimize your benefits and become loyal to one or more airlines. The founders of the company were frequent business travelers that wanted to become loyal and reap the benefits of frequent traveling. But the intricacies and lack of transparency of travel loyalty programs made it an extremely difficult task. The result, instead, was the absence of loyalty, a handful of memberships with a few thousands miles on each and frustrated travelers that never reached any benefits but rather felt tricked.

After some research we found that there were many more people with the same problem as us. In fact, most travelers don't optimize their loyalty without having to become experts in frequent flyer programs, and the airlines miss out on the potential to get many more truly loyal customers.

Q: What's the size of the team, names of founders, management roles and key personnel?

A: The company was founded by Alex Jawad, Rui Bom and Vitaly Pukhalsky.

Alex is the CEO and Product Owner. He had 2 previous successful exits in e-commerce and trading. Took sales from \$2M a year to \$10M in a six-month consultancy gig.

Rui is the CMO and Head of Business Development. While working for Unilever, he took the company's top 2 brands in Portugal and in China to consecutive market share records. He co-founded the first social network in Portugal at the age of 25 (www.zoom.pt).

Vitaly is the Head of Technology, 30K's architect and lead developer. He's built travel technology for several American and European travel giant clients.

We are currently a team of 11 people, with our development in Minsk and our operations team based out of Manila.

Q: Have you secured any funding so far?

A: Since its incorporation 30K has raised three angel investment rounds for a total of USD 900,000.

Q: How big do you estimate the market to be?

A: Independent research suggests frequent flyers are willing to pay an additional 5%-7% for tickets that earn (more) miles. That's a potential \$9 billion/year profit waiting to be captured by the industry. To put things in perspective, that's roughly the same profit the industry recorded in 2011.

Q: Any competition?

A: There's currently no competition for what we're doing.

Q: What's your revenue model and strategy for profitability?

A: 30K has a 'pay-as-you-go' pricing model, charging its customers on a cost-per-API-response with a monthly fixed minimum. We are offering a very affordable and easy to integrate solution so it's a no-brainer for OTAs and meta-search to try it out.

We've recently closed our first customer. Based on the current burn rate we expect to be profitable by the end of this year.

Q: What problem does the business solve?

A: In 2014, 430 million trips were booked by frequent flyers. The problem is that most of them aren't optimizing benefits as there is no easy way to find out how many miles different flights earn - they continue buying based on price without realizing there are similar-priced fares than can earn (more) miles. The result: millions of travelers earning no or fewer miles and reaching fewer benefits or never reaching them at all. Powered by 30K's technology, travel search engines and related companies can now show the exact number of frequent flyer miles their users will earn from each flight result, based on the traveller's own frequent flyer program membership(s).

Q: How did the initial idea evolve and were there changes/any pivots along the way in the early stages?

A: We initially set out to build an online travel agency with a mileage component feature. The idea was to have a place where travellers could come to search and book for flights and have information on how many frequent flyer miles those flights would earn them. Launched in August 2013, we sold close to \$100,000 in tickets. For various operational reasons we've decided to shift towards a B2B model in late 2013. At the end of Q1 this year, we've released the first version of our API and we're currently providing our mileage-computation engine to existing consumer-facing websites.

Here's how it works. A traveler comes for example to expedia.com and runs a search from London to San Francisco. Through an API connection expedia.com sends us the flight results detailed information, which we run through our miles-computation engine in order to calculate the number of miles/points each one of those flights earns. We send the final results back to expedia.com so that these can be displayed on screen.

To see a very simple prototype of our technology in action, go to www.30k.com, run a flight search and select your frequent flyer memberships and status from the results page. We currently include the top 50 frequent flyer programs.

Q: Why should people or companies use the business?

A: By providing its technology to existing travel search websites, 30K aims to help solving the problem described in 7. By showing that when price and miles are brought together, it adds a lot of value to both travelers and the industry:

For travelers the obvious value resides in the additional information being provided – the number of frequent flyer miles each flight option earns. By taking this information into account travellers will be able to make better decisions and choose the flights that take them to rewards and status faster.

Displaying miles also provides enormous value to flight search sites as it helps motivating travelers to look at other fares than only the cheapest ones (users now see there's slightly more expensive deals earning (more) miles) resulting in higher revenues. It also motivates users to register with the website to save preferences, providing them with previously unavailable data, ready to be monetized. Additional revenue sources could also be allowing users to sign up with frequent flyer programs and giving the website an opportunity to receive a referral fee from the airline.

Needless to say, the airlines are the obvious recipient of the value-add to users as more people will become loyal to them, which will allow a much-needed increase to their revenue and profits.

Q: What is the strategy for raising awareness and the customer/user acquisition (apart from PR)?

A: As a company focused on the B2B opportunity, 30K's acquisition strategy relies on a one-to-one contact with the 400-500 customers we've identified as our primary targets. Participation in the most important travel exhibitions and events as well as help from our advisory board in connecting with relevant people will help boosting our awareness. We're at this stage also looking into the B2C opportunity and should be introducing some cool new products soon.

Q: Where do you see the company in three years time and what specific challenges do you anticipate having to overcome?

A: In three years we expect to having become an industry standard, with 80% of the top metasearch and OTA around the world as our customers. The product will go beyond air travel loyalty to include hotel and rent-a-car loyalty programs. As for challenges, we've identified two: (1) given the fact that most big players have a rigid 6-12 month innovation pipeline, we anticipate a fairly long sales cycle, with at least a 6-month closing period between the first contact, testing and final integration; (2) As a novel feature with a difficult-to-prove direct impact on top and bottom line, some customers might be reluctant to pay for it before feeling the real benefits.

Q: What is wrong with the travel, tourism and hospitality industry that requires another startup to help it out?

A: We believe the current one-size-fits-all offering of flight search doesn't cater to the millions of frequent flyers while having fundamental flaws prohibiting the commercial aviation industry from existing in a healthy manner. Today, the industry is taking many necessary steps to provide a better experience for travellers and more sensible revenue models for industry players. 30K's solution is part of that initiative.

Q: What other technology company would you consider yourselves most closely aligned to in terms of culture and style... and why?

A: We really like Skyscanner. We've followed the company's past few years very closely and we are really inspired by how they've managed to keep their startup-like mentality and speed of action even after having become such a big and important

player in the travel industry. We also admire their understanding of the necessity of continuous innovation and appreciation of added value. We may not be very similar as companies, but we think we're aligned in values.