MAJOR PROJECT

ON

A STUDY ON OYO AND IT'S IMPACT ON THE INDIAN HOSPITALITY INDUSTRY

Submitted By
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CERTIFICATE

This is to certify that the dissertation report titled "**A Study On Oyo And It's Impact On The Indian Hospitality Industry**", is a bonafide work carried out by **Mr. Pratik Prem Maurya** of **MBA 2017-19** and submitted to Delhi School of Management., Delhi Technological University, Bawana Road, Delhi-110042 in partial fulfillment of the Requirement for the award of the Degree of Masters of Business Administration.

Signature of Guide   **Signature of Head (DSM)**

Seal of Head

Place:
Date:

DECLARATION

I, PRATIK PREM MAURYA, student of MBA 2017-19 of Delhi School of Management, Delhi Technological University, Bawana Road, Delhi – 110042, hereby declare that the dissertation report "A Study On Oyo And It's Impact On The Indian Hospitality Industry" submitted in partial fulfilment of Degree of Masters of Business Administration is the original work conducted by me.

The information and data given in the report is authentic to the best of my knowledge.

This report is not being submitted to any other University, for award of any other Degree, Diploma or Fellowship.

PLACE: PRATIK PREM MAURYA

DATE:

ACKNOWLEDGEMENT

ABSTRACT

The objective here is to tell the growth story of OYO room in the most objective way possible as a "situation case". One of the efforts has been to provide a body of information of sufficient size to analyse the reasons for the current success of OYO room in particular and the emerging Indian business model of innovative use of technology and marketing principles, in particular general. The case presents the successful example of Ritesh Aggarwal, about how he used the idea of hospitality and hotels that generated a significant investment in this segment. The government is in action is focusing on "Make in India", which means that entrepreneurs like Ritesh Aggarwal will be encouraged and supported. It is necessary to create a comfort zone for the young minds so that they can become successful businessmen, leading to the economic growth of the country.

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CHAPTER - 1

1.1 INDUSTRY PROFILE

HOTEL BOOKING INDUSTRY IN INDIA

The Indian tourism and hospitality industry has emerged as one of the key drivers of growth among the services sector in India. Tourism in India has significant potential considering the rich cultural and historical heritage, variety in ecology, terrains and places of natural beauty spread across the country. Tourism is also a potentially large employment generator besides being a significant source of foreign exchange for the country. During 2018, FEEs from tourism increased 4.70 per cent* year-on-year to US$ 28.59 billion. FEEs during January 2019 was US$ 2.55 billion.

Market Size

India is the most digitally-advanced traveller nation in terms of digital tools being used for planning, booking and experiencing a journey, India's rising middle class and increasing disposable incomes has continued to support the growth of domestic and outbound tourism.

During 2018, foreign tourist arrivals (FTAs) in India stood at 10.56 million, achieving a growth rate of 5.20 per cent year-on-year. FTAs in January 2019 stood at 1.10 million, up 5.30 per cent compared to 1.05 million year-on-year.

The travel & tourism sector in India accounted for 8 per cent of the total employment opportunities generated in the country in 2017, providing employment to around 41.6 million people during the same year. The number is expected to rise by 2 per cent annum to 52.3 million jobs by 2028.

International hotel chains are increasing their presence in the country, as it will account for around 47 per cent share in the Tourism & Hospitality sector of India by 2020 & 50 per cent by 2022.

Investments

Private equity investments in the hospitality industry jumped three-fold in 2017, with transactions worth around $619 million closing during the year, indicating renewed interest in the sector.

Hoteliers and analysts expect 2019 to be a bumper year for deals in India's hospitality sector following Brookfield's purchase of Hotel Leela venture's assets, the sale of Keys Hotels to Lemon Tree and Blackstone's potential acquisition of Golden Jubilee hotels, apart from a robust performance in the fourth quarter of 2018.

Government Initiatives

The Indian government has realised the country's potential in the tourism industry and has taken several steps to make India a global tourism hub.

Some of the major initiatives planned by the Government of India to give a boost to the tourism and hospitality sector of India are as follows:

- Statue of Sardar Vallabhbhai Patel, also known as 'State of Unity', was inaugurated in October 2018. It is the highest standing statue in the world at a height of 182 metre. It is expected to boost the tourism sector in the country and put India on the world tourism map.
- The Government of India is working to achieve 1 per cent share in world's international tourist arrivals by 2020 and 2 per cent share by 2025.
- Under Budget 2019-20, the government allotted Rs 1,160 crore (US$ 160.78 million) for development of tourist circuits under Swadesh Darshan.
- Under Budget 2019-20, the government allotted Rs 160.50 crore (US$ 22.25 million) for development of tourist circuits under Swadesh Darshan.

1.2 COMPANY PROFILES

A. OYO ANALYSIS

The journey of OYO Rooms was started when Ritesh Agarwal dropped out of college and launched his first start-up Oravel Stays Pvt. Ltd. in the year 2012. Oravel was designed as a platform to enable listing and booking of budget accommodation. Being an enthusiastic entrepreneur, he soon realized that the budget hospitality sector lacked predictability. Therefore, he Rebranded Oravel to OYO Rooms in 2013 with an aim of offering affordable and standardized accommodation.

Leaders

Ritesh Agarwal

Founder and CEO

Ritesh started his business career at 17, backpacking around the country, living in budget accommodations. This sparked the idea of OYO, a global-first business developed in India. Driven by a fevered energy only start-ups can have, Ritesh scaled OYO from 5 cities in December 2014 to 200 cities in 2015. Ritesh was the first resident Indian to be awarded the Peter Thiel Fellowship.

Abhinav Sinha

COO

Abhinav looks after operations at OYO. He is a chemical engineer from IIT Kharagpur and an MBA from Harvard. Abhinav has more than a decade of experience working with product and services companies. Prior to OYO, he was a Principal with Boston Consulting Group in Dallas, US.

Major Players in the Industry

Online Travel and Hotel Booking Industry is at an exciting phase now. Make My Trip and Go Ibibo were two major players that lead the market,

In October 2016, MakeMyTrip and Ibibo, agreed to merge. But they need about three more years to achieve enough market power that they can reach levels of profitability similar to what online travel companies enjoy in more established markets, according to a research note by Arya Sen, an equity analyst at investment bank Jefferies.

Paytm, a digital wallet provider, began selling flights and rail. Oyo, a hospitality company, received a $1 billion funding round in 2018 that let it continue to drive 95 percent of its bookings through its direct online channels through various promotions.

Meanwhile, a few older players revved up their games. Booking.com doubled its lodging inventory and doubled down on its domestic marketing. The price-comparison search brand Ixigo turbo-charged its customer and inventory acquisition efforts. Yatra and Cleartrip continued to fight, while other smaller players debuted.

Benefits

1. They Work 24/7

An online booking system works all the time. This gives freedom to potential visitors to book a room anytime they want. It also maximises your sales because you are not limited to your working hours. In fact, studies show that a 24/7 online reservation system greatly increases the number of hotel bookings.

2. Hassle-Free Management of Bookings

Hotel reservation systems will make your staff more efficient. They won't be tied to a phone waiting for guest calls. What's more, you will be able to take bookings around the clock, 7 days a week.

3. Get Smarter Insights into Your Business

Usually, such systems come with various analytics tools. They can keep track of each reservation and all the related details. Thus you will have all the information to better understand your guests, their preferences and what upgrades you sell the most. With this, you will be able to outline the areas where you need to focus on and grow your business.

4. Increase Revenues Thanks to Upselling

Another major benefit of an online hotel reservation system is that it's much easier to create, publish, promote and sell packages and add-ons online. You can combine them or let customers choose the package they want. This will further increase the revenue you generate while customers will be able to get exactly what they want.

5. The Number of No-Shows Will Decrease

Prospective guests who reserve rooms online are much more likely to show up. And in the cases when someone doesn't show up, your online booking system will automatically free the reserved room, making it available for booking. Appointment reminders are also a great way to ensure that your clients will turn up.

6. Payments are Easier and Faster

Payments are also greatly eased with an online booking platform. You can require from your guests to pay when they book, further increasing your income, and not worry about payments when they arrive. In addition, in case of a no-show, you can keep some of the money as compensation.

7. Cut Your Workload

Online reservation systems reduce workloads for your staff and optimize customer service. These platforms can make sure that bookings are synced and the availability is

updated with each booking processing. A good hotel reservation system makes the work process carefree.

8. A New Booking Trend

The world is online now. Nowadays, customers use the Internet to discover everything they need to know. If you don't have an online presence, you are most likely missing out a great many opportunities. So, if you want to take advantage of the modern booking approach, it is a must to integrate your reservation platform with your product pages.

9. Meet the New Self-Service Portals

Online booking systems are designed to provide all the features of self-service portals. Potential guests book services based on the open dates suggested by the system. Of course, you should have personalised customer care support to handle various queries. Still, with a well-maintained hotel reservation system, you'll rarely need to deal with customers directly.

Marketing Strategies(Marketing Mix)

Product in the Marketing Mix Of Oyo Rooms:

The aim behind the launch of Oyo Rooms was to bring a positive change in the hospitality sector with technology usage. It is an online aggregator of hotels and has become largest chain in India.

It enters into a deal with hotels to offer standardised rooms by equipping it with complimentary breakfast, free Wi-Fi, air-conditioned room, branded toiletries, spotless bed linen, flat-screen television, beverage tray, shower heads of 6-inch and so on. A special team has been appointed who travels and audits the services regularly so that set standards can be maintained. Oyo also offers service training and qualitative supplies. It

just takes 5 to 6 days for the company to add a hotel to its network after sign-up and equip it with approved standards.

Place in the Marketing Mix Of Oyo Rooms :

Oyo Rooms has become most trusted and preferred brand that offers online booking services at a set budget. Operations for Oyo Rooms started from Gurgaon with its first hotel and later spread to several cities and towns in India. Its presence can be felt in more than two hundred and twenty cities and offers services via six thousand and five hundred hotels in places like Kolkata, Chennai, Goa, Bengaluru, Pune, Maneswar, Ghaziabad, Varanasi, Hyderabad, Mumbai, Jaipur, Gurgaon, Shillong, Panipat, Durg, Shirdi, Delhi and Ahmedabad.

Oyo Rooms has extended from domestic market to international arena with its presence in Malaysia. Its headquarters base is at Gurgaon in Haryana. It is easy to book a room online with Oyo Rooms with the help of Mobile application also. They are registered in most of the travel websites that offer online bookings like a Clear trip, hotels.com and Make My Trip. Oyo does not have ownership of any of its associated hotels. It has invested in marketing and management improvement of hotels under its brand.

Price in the Marketing Mix Of Oyo Rooms:

Oyo Rooms is associated with budget hotels and its range varies from rupees 999 to rupees 4,000. It is backed by several investors like Lightspeed India, Sequoia Capital, Greenoaks Capital and Softbank Group. The primary objective of setting up this company is to offer standard experience at an unmatched price. It tries to meet the budget of an individual and set up his accommodation accordingly. Oyo Rooms refer clients to hotels and get a percentage as cut for this transaction. They also have deals for minimum guaranteed customers and can offer its clients beneficial deals and discounted rates. All its transactions are swift-cash variety and it works in favour of the company as they are able to realise their revenues at a faster pace. Oyo Rooms have adopted a

reasonable pricing policy that offers affordable rates and great services to meet customer satisfaction.

<u>**Promotion**</u> in the Marketing Mix Of Oyo Rooms:

Oyo Rooms has put its onus on mass marketing as well as digital marketing for further customer acquisition. It has a strong presence in social media as its Twitter following exceeds 8,000 and Facebook 2.7 lakh followers. Nearly 1.5 million apps have been downloaded with a high percentage of active users. Oyo has organised campaigns on social media platforms like #AurKyaChahiye videos which can be viewed on YouTube, Dubsmash Contest and Jai Hind campaign featuring actors Raveena Tandon and Manoj Bajpai.
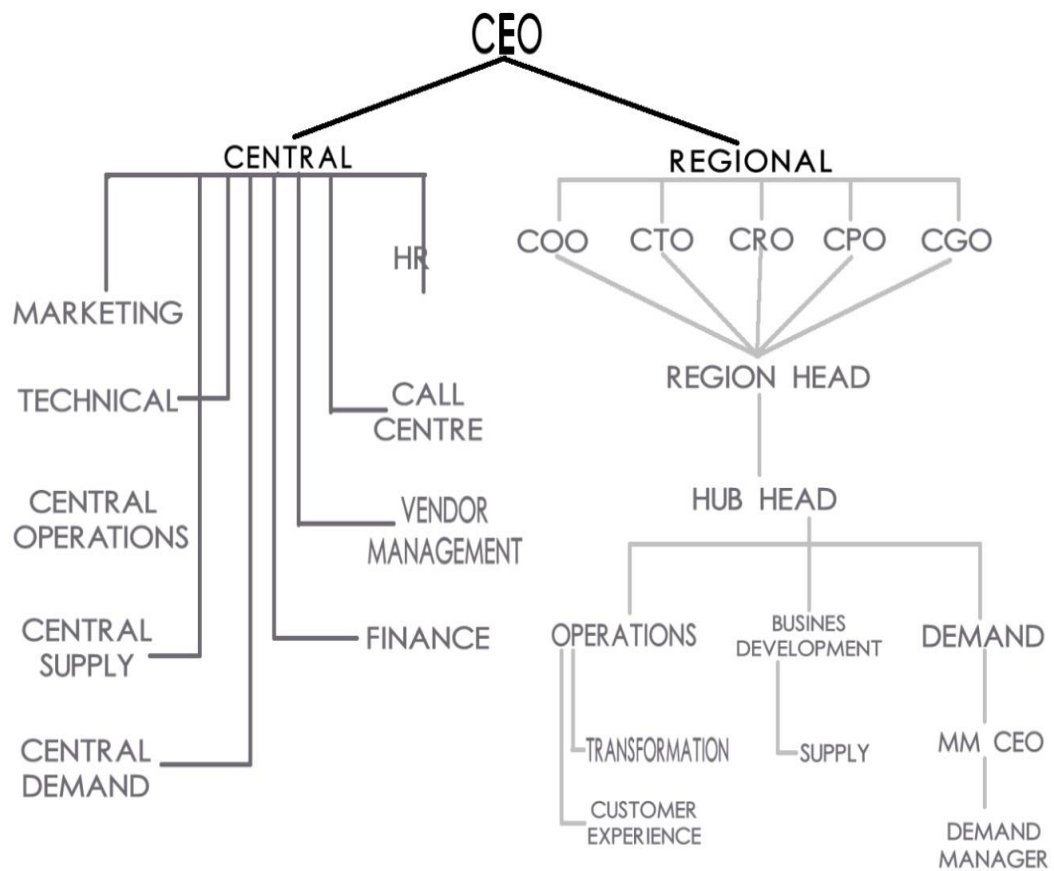
Its latest campaign has targeted holidayers with slogan OneForEveryone. It includes eight short films where customers express their satisfaction with brand Oyo. Films emphasis on diversified expectations of customers and how the company is able to meet each and every one of them successfully. It has entered into deals with major brands like Airtel to offer Wi-Fi support.

Table-1: Funding of OYO Rooms:

Year	Amount	Funding Source
2012-December	$ 5 Million	Venture Nursery
2013	$0.1 Million	Thiel Fellowship
2014-Febreury	NA	Light speed Ventures
2015-March	$ 25 Million	Light speed, Sequoia and others
2015- July	$100	Softbank
2016-August	$90 Million	Softbank And Others
2017-April	$250 Million	Softbank and Others
2018-September	$1 Billion	Softbank and Others

Organization Structure:

ORGANISATION STRUCTURE OF OYO

CEO

CENTRAL

MARKETING

TECHNICAL

CENTRAL
OPERATIONS

CENTRAL
SUPPLY

CENTRAL
DEMAND

HR

CALL
CENTRE

VENDOR
MANAGEMENT

FINANCE

REGIONAL

COO   CTO   CRO   CPO   CGO

REGION HEAD

HUB HEAD

OPERATIONS   BUSINES
DEVELOPMENT   DEMAND

TRANSFORMATION   SUPPLY   MM CEO

CUSTOMER
EXPERIENCE   DEMAND
MANAGER

Revenue Model:

Oyo rooms books a part of the hotels inventory by paying monthly rent in advance at discounts (Expenses)

⇓

These hotels are put to match the standardized quality like free Wi-Fi, clean toilets etc. (expenses)

$$\Downarrow$$

These rooms are offers to the customers at OYO room's website, application and various OTA platforms

$$\Downarrow$$

Users buy these from at a predetermined price (revenue)

The expenses also includes the heavy expenses on promotional activities to increase the brand quality among the users as well as the remuneration of the employees. It provides heavy discounts to the customers. These discounts often results in prices which are lesser than the cost price of these hotels and results in losses.

Oyo Rooms was running in loss for the initial years. Despite heavy losses Oyo rooms was able to expand in the market as it is backed by several investors like light speed India, Sequoia Capital, Green oaks Capital and Softbank Group. Profits were only realized in year 2018. The price sensitivity in this case is high due to high competition and customers are also awarded about different services and can easily compare the quality and price with its substitutes. Oyo Rooms refer clients to hotels and get a percentage as cut for this transaction. They also have deals for minimum guaranteed customers and can offer its clients beneficial deals and discounted rates. All its transactions are swift-cash variety and it works in favor of the company as they are able to realize their revenues at a faster pace. They provide different services at different but definite prices. Budget hotel room prices varies from rupees 999 to rupees 4,000 but a floor price is kept and the competitor's price according to their quality is also kept in mind. Leisure rooms are priced 15-20% higher than business rooms, and 20-30% lower than the nearest three-star hotels. It tries to meet the budget of an individual and set up his accommodation accordingly. Price of the rooms are also set according to their geographical locations, categories and inclusions. Rooms at tourism spots are generally high priced compared to a room in a general city.

1.3 OBJECTIVES OF THE STUDY

Following are the main objective to study about the customer satisfaction on OYO Rooms:

- To study Brand of Oyo Rooms of Hospitality Industry & consumer's perception with its competitors.
- To know why people book Rooms from different Online apps.
- To study the brand image of Oyo.
- To find out the level of satisfaction of the Users on different attributes.
- To identify strength weakness, opportunity and threats for Oyo.
- To identify the factors which are most essential for selecting the Hotel Booking App.
- To identify the factor in Online Hotel Booking which are most liked by Customers.
- To identify the most preferred payment method for Online Hotel Bookings.

1.4 SWOT ANALYSIS

Particulars	Points
STRENGTHS:	• Excellent use of advertising for High Brand Recall.
	• User-Friendly/Easy-To-Use Interface.

	• Budget Hotels
	• Constant Innovation
WEAKNESS:	• Restricted to Budget Hotels/Lodges.
	• Fast Expansion Leading to Compromise on Quality.
	• Renovation of Run down Hotels Raises Questions of Trust and Credibility.
OPPORTUNITIES:	• The Number of Budget Travelers in India is on a Rise.
	• More and More People are Becoming Technology-Driven.
	• Use of Social Media to Enhance Consumer Experience
THREATS:	• Competitors like ZO Rooms and STAYZILLA.

	• "Backpacker travel/tourism" In India is still very unpredictable.
	• Fewer Repeat Customers.

CHAPTER - 2

2.1 LITERATURE REVIEW

The hotel industry involves high degree of interaction between employees & guests and so provides many opportunities for service failures to occur. Service quality issues have been of concern to researchers for close to twenty years & no. of projects focused on hospitality industry. For example, McColl-Kennedy & White (1997), Pizam & Ellis (1999) considered consumer satisfaction in hotels & mismatch between expectations & perceptions of Service Quality. In terms of measurement O' Neill (1996), used SERVQUAL (Parasuraman et al., 1988) in hotels in no0rthern Ireland used it in hotels in Korea. Alternative measurement tools for the hospitality industry were developed by Wong et al. (1999) for hotels in Australia (HOLSERV) & by Knutson et al. (1991) (LODGSERV).

SERVICE FAILURE:

Integral to the consideration of the provision of quality service is service failure & recovery. Service failures are inevitable and occur in both the process and the outcome of service delivery. They include situations when service fail to live up to the customers' expectations (Michel, 2001). Service failures have been categorized by Bitner et al. (1990) according to the Employee behaviors when failures occurs, relating to: the core services; request for customized service; and unexpected employee actions.

There are various consequences of service failures, namely:

- Dissatisfaction (Kelley et al., 1993);

- A decline in customer confidence (Boshoff, 1997);
- Negative word-of-mouth Behavior (Bailey, 1994);
- Loss of revenue & increased costs (Armistead et al., 1995); and
- A decrease in Employee morale & performance (Bitner et al., 1994)

SERVICE RECOVERY:

If service failures does occur, then what can service providers do to recover? "Service recovery involves those actions designed to resolve problems, alter negative attitudes of dissatisfied customers and to ultimately retain this customers." (Miller et al., 2000, p.38), and "It includes situations in which a service failures occur but no complaint id lodged by customers." (Smith et al., 1999, p.359).

Successful service recovery has significant benefits. It can:
- Enhance Customers' perception of the quality of the service & the organization;
- Lead to the positive word –of-mouth communication;
- Enhance customers' satisfaction; and
- Build customer relationships, loyalty & impact on profit.

Service recovery can also be poor and ineffective with the consequence that the customer is let down for the second time: This may lead to loss of confidence in the organization and possible defection, together with the spread of negative word-of-mouth communication.

SERVICE RECOVERY STRATEGIES:

Actions that service providers take, in response to defects or failures, comprise a combination of psychological recoveries and tangible efforts, and have been researched by no. of academics. The strategies they identify may be classified as:
- Apology
- Correction
- Compensation

- Follow-up

- Acknowledgement

- Explanation

- Exceptional treatment; and

- Managerial intervention

From the research evidence, it can be concluded that the type & magnitude of service failures depend on the industry and service (i.e. outcome or process-based).

LOYALTY:

Loyalty of a firm's customer has been recognized as the dominant factor in the business organization's success. This study helps us in extending our understanding of the relationship between customer loyalty, customer satisfaction, and image. This is of considerable interest to both practitioners and academics in the field of hospitality management. One of the greatest challenges facing hotel organization today is ever-growing volume and pace of competition. Competition has a major implications for the customer, providing:

- Increased choice;

- Greater value for money; and

- Augmented levels of service.

There are two strategies most commonly used by hotel managers in order to gain a competitive advantage; they are:

1. Low-cost leadership through price discounting , and
2. Developing customer loyalty by providing unique benefits to customers

Loyal customer is a customer who repurchases from same service provider whenever possible and who continues to recommend or maintain a positive attitude towards the service-provider.

Loyalty Dimensions:

There are two dimensions to customer loyalty: Behavioral & Attitudinal

The behavioral dimensions refers to the customers' behavior on repeat purchases, indicating a preference for a brand or a service overtime. Attitudinal dimensions, on the other hand, refer to a customer intention to repurchase and recommend, which are good indicators of loyal customers.

Relationship Between Customer Satisfaction And Loyalty:

Customer satisfaction considers to be one of the most important outcomes of all marketing activities in a market-oriented firm. The obvious for satisfying the firm's customer is to expand the business, to gain a higher market-share, and to acquire a repeat and referral business, all of which lead to improved profitability (Barsky, 1992).Studies conducted by Cronin & Taylor (1992) in service sectors such as hotels found that customer satisfaction has a significant effect on purchase intention. Hence, it can be concluded that there is a positive relationship between customer satisfaction & customer loyalty.

Relationship Between Image And Loyalty:

An Organization's Image is an important variable that positively or negatively influences marketing activities. Image is considered to have the ability to influence the customers' perception of the goods and services offered (Zeithaml and Bitner, 1996). Thus, Image will have an impact on customers' buying behavior. Image is considered to influence customers' minds through the combined effect of advertising, public relations, physical image, word-of-mouth and their actual experiences with the goods and the services (Norman, 1991).

CUSTOMER
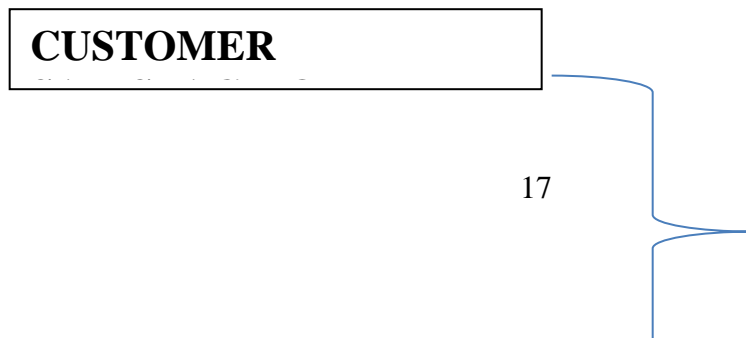
2.2 RESEARCH METHODOLOGY

Methodology is the systematic, theoretical analysis of the methods applied to a field of study. It comprises the theoretical analysis of the body of methods and principles associated with a branch of knowledge. Typically, it encompasses concepts such as paradigm, theoretical model, phases and quantitative or qualitative techniques.

A methodology does not set out to provide solutions - it is, therefore, not the same thing as a method. Instead, it offers the theoretical underpinning for understanding which method, set of methods or so called "best practices" can be applied to specific case, for example, to calculate a specific result.

It has been defined also as follows:

1. "the analysis of the principles of methods, rules, and postulates employed by a discipline"
2. "the systematic study of methods that are, can be, or have been applied within a discipline"
3. "the study or description of methods"

2.3.1 RESEARCH DESIGN

The research design is purely and simply the framework of plan for a study that guides the collection and analysis of data. Types of Research Design:

- **Exploratory Research** – The main purpose of such studies is that of formulating a problem for more precise investigation or of developing the working hypotheses from an operational point of view.

- **Descriptive Research** – Those studies which are concerned with describing the characteristics of a particular individual, or of a group.

- **Hypothesis Testing Research** – They are those where the researchers tests the hypotheses of casual relationships between variables.

Descriptive research design was used for this research.

Research methodology

A **research design** is the "blue print" of the study. The design of a study defines the study type (descriptive, correlational, semi-experimental, experimental, review, meta-analytic) and sub-type (e.g., descriptive-longitudinal case study), research question, hypotheses, independent and dependent variables, experimental design, and, if applicable, data collection methods and a statistical analysis plan. Research design is the framework that has been created to seek answers to research questions.

Types of Data Collection Methods
- **Primary research:** Primary research is defined as factual, firsthand accounts of the study written by a person who was part of the study. The methods vary on how researchers run an experiment or study, but it typically follows the scientific method. One way you can think of primary research is that it is typically original research. In a nutshell, **primary research** is original research *conducted by you* (or someone you hire) to collect data specifically for your current objective. You might conduct a survey, run an interview or a focus group, observe behavior, or do an experiment. *You* are going to be the person who obtains this raw data directly and it will be collected specifically for your current research need.

- **Secondary research:** Secondary research is defined as an analysis and interpretation of primary research. For instance, secondary research often takes the form of the results from two or more primary research articles and explains what the two separate findings are telling us.**It** involves searching for *existing data* that was originally *collected by someone else*. You might look in journals, libraries, or go to online sources like the US census. You will apply what you find to your personal research problem, but the data you are finding was not originally collected by you, nor was it obtained for the purpose you are using it for.

Data Analysis Techniques

Analysis of data is a process of inspecting, cleaning, transforming, and modelling data with the goal of discovering useful information, suggesting conclusions, and supporting decision-making. Data analysis has multiple facets and approaches, encompassing diverse techniques under a variety of names, in different business, science, and social science domains.

Analysis refers to breaking a whole into its separate components for individual examination. Data analysis is a process for obtaining raw data and converting it into information useful for decision-making by users. Data is collected and analysed to answer questions, test hypotheses or disprove theories.

Techniques for analysing Quantitative data

- **Graphs:** There are many types of graphs, but the most common and most useful for the statistician are bar charts, histograms, and frequency polygons. Each has two axes, the vertical axis (the y-axis) and the horizontal axis (the x-axis), and labels to identify the variables and the values, with tick marks showing where each indicated value falls along each axis. A **bar chart** contains solid bars separated by spaces. It is a good tool for displaying the distribution of variables measured in

discrete categories (e.g., nominal variables such as religion or marital status), because such categories don't blend into each other.

- **Histograms:** Histograms, in which the bars are adjacent, are used to display the distribution of quantitative variables that vary along a continuum that has no necessary gaps. Exhibit 8.4 shows a histogram of years of education from the 2010 GSS data. The distribution has a clump of cases centered at 12 years. The distribution is skewed because there are more cases just above the central point than below it.

- **Pie charts:** A pie chart (or a circle chart) is a circular statistical graphic, which is divided into slices to illustrate numerical proportion. In a pie chart, the arc length of each slice (and consequently its central angle and area), is proportional to the quantity it represents. While it is named for its resemblance to a pie which has been sliced, there are variations on the way it can be presented.

2.3.2 RESEARCH PROCESS:

Before embarking on the details of research methodology and techniques, it seems appropriate to present a brief overview of the research process. Research process consists of series of actions or steps necessary to effectively carry out research and the desired sequencing of these steps.

1. Formulating the research problem
2. Extensive literature survey
3. Development of working hypothesis
4. Preparing the research design
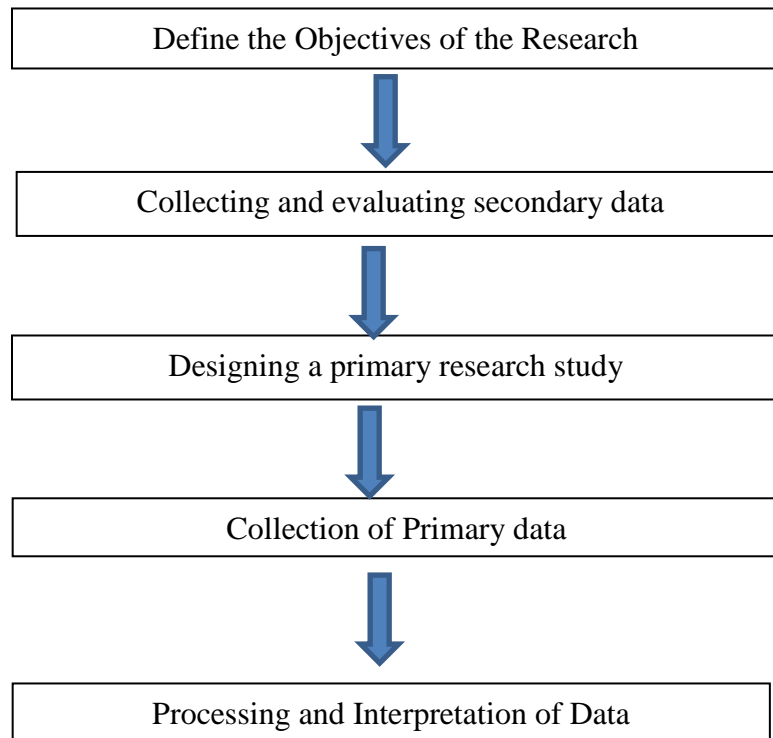5. Determining the research design
6. Collecting the data

By observation through personal interview

By questionnaires

1. Execution of the project
2. Analysis of data
3. Hypothesis-testing
4. Generalization and interpretation
5. Preparation of the report

RESEARCH PROCESS:-

The research was carried out as per steps of consumer research process. The figure below depicts a model of consumer research process.

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┌─────────────────────────────────────────────┐
│     Define the Objectives of the Research    │
└─────────────────────────────────────────────┘
                      ↓
┌─────────────────────────────────────────────┐
│     Collecting and evaluating secondary data  │
└─────────────────────────────────────────────┘
                      ↓
┌─────────────────────────────────────────────┐
│       Designing a primary research study      │
└─────────────────────────────────────────────┘
                      ↓
┌─────────────────────────────────────────────┐
│          Collection of Primary data           │
└─────────────────────────────────────────────┘
                      ↓
┌─────────────────────────────────────────────┐
│     Processing and Interpretation of Data     │
└─────────────────────────────────────────────┘
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Therefore to achieve the objectives of my research, I have used quantitative method for research.

SAMPLING PLAN FOR THE PROJECT:

1. Data source   : Primary Data
2. Research approach   : Survey method
3. Geographical area   : Delhi
4. Sampling unit   : Hotels , Delhi
5. Sample size   : 100 Customers.
6. Research instrument   : Questionnaire.
7. Contact method   : Personal contact

LIMITATIONS

The limitations are as follows:-

1. Some customers refuse to co-operate and do not disclose their Genuine opinion.

2. Customer information is highly confidential, so organization doesn't disclose it properly.

3. Respondent's answers might have influence or bias.

4. Information is collected from the customers and dealers only.

5. Meeting to the Guests is tough job, because they are very busy.

2.3.3 <u>Project Profile:</u>

1. Operations
2. Business Development
3. Sales/Demand

2.3.4 <u>Operations:</u>

Operations involves two Functions:

1. **<u>Product Knowledge:</u>** Here we are primarily concerned in obtaining the knowledge of the product i.e. OYO Rooms. OYO Rooms owns reservations along with, gives & Sells Standards as well as Services. These Services remains same in all PAN India whether it is North, South, East, and West.

   In order to maintain those standards, there are PROPERTY AUDITS every week .It makes Ensure that the property which is in collaboration with OYO are up to the standards. For each property, OYO use different property codes starting from KTR001 to KTR063, each property was assigned with a different property Code

KTR   034

AREA CODE   **PROPERTY CODE**
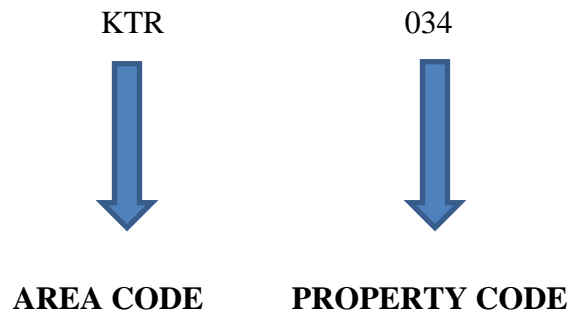
This is Helpful when they get data on a daily basis from Cluster Manager and with that we need to go to   respective properties for CeX & Ensuring Delight. Below is the sample how the data looked like in CRS

☐	9	YSCL3124	Android App	Rohit Bareja	OYO Rooms 018 Railway Road	Checked In	2	4
☐	10	ZNXV4016	Sales Agent	Mr. Sunil Dutt	OYO Rooms 034 Near Pujari Asharam	Checked In	1	1
☐	11	CLAG2154	Direct	geeta	OYO Rooms 034 Near Pujari Asharam	Checked In	2	4
☐	12	ZICU5483	Direct	K k sharma	OYO Rooms 034 Near Pujari Asharam	Checked In	1	2
☐	13	VCJF6130	Direct	PUNEET	OYO Rooms 034 Near Pujari Asharam	Checked In	3	3
☐	14	HJLV8359	Android App	Ramesh Kumar	OYO Rooms 034 Near Pujari Asharam	Checked In	2	4
☐	15	BQFY4765	Android App	Mukesh Sharma	OYO Rooms 027 Near Shrine Board	Checked In	1	2
☐	16	WMFT4873	Sales Agent	Mr. Mahendra Kumar Meghwanshi	OYO Rooms 040 Asia Chowk	Checked In	2	1
☐	17	WJSH1768	Direct	DharemnderKumar	OYO	Checked	1	2

Figure CeX Data

The standards are to be maintained at these respective areas:

- ✓ Kitchen
- ✓ Hotel Facility
- ✓ Rooms
- ✓ Property Entrance
- ✓ Common Area

For making Audits OYO has created an application called "KRYPTON". By using this application we Audit the properties which is to be

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submiitted Online. Below are the samples of what the Audit work includes and efforts of OYO for enlighting the experiences of Customers.

Figure: AUDIT

Figure: Audit of common area

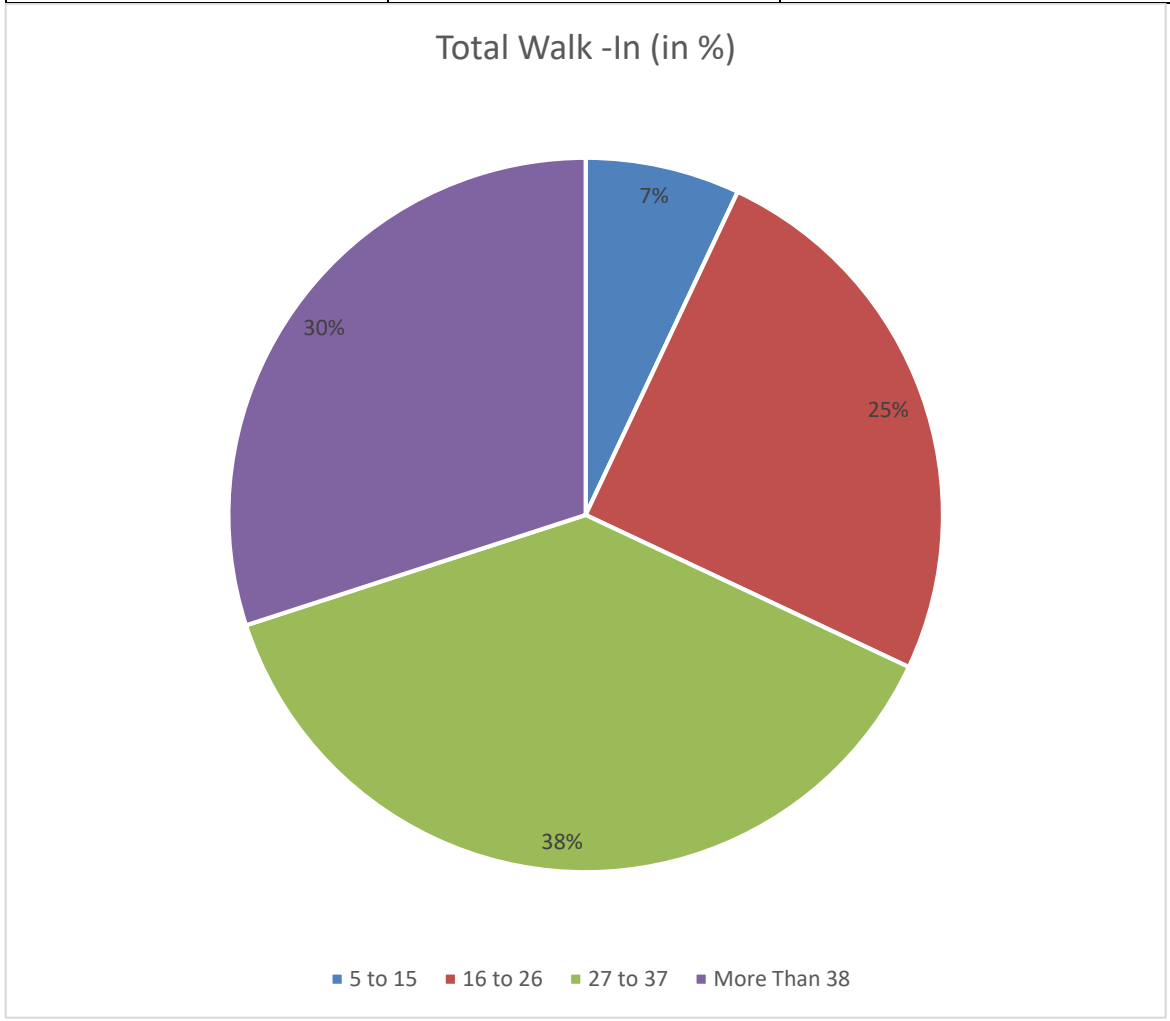**Figure: Rooms Audit**

Figure: Property entrance audit

Figure: Hotel facility audit

CHAPTER - 3

3.1 DATA ANALYSIS & INTERPRETATIONS

1. Age Group?

Age Group	RESPONDENTS	PERCENTAGE
5-15 yrs	7	7%
16-26 yrs	25	25%
27-37 yrs	38	38%
38 yrs and above	30	30%
TOTAL	100	100%

Total Walk -In (in %)

■ 5 to 15 ■ 16 to 26 ■ 27 to 37 ■ More Than 38

Q 2. Gender?

Gender	RESPONDENTS	PERCENTAGE
Male	55	55%
Female	45	45%
TOTAL	100	100%

TOTAL WALK-IN

■ No. of Males   ■ No. of Females

45%

55%
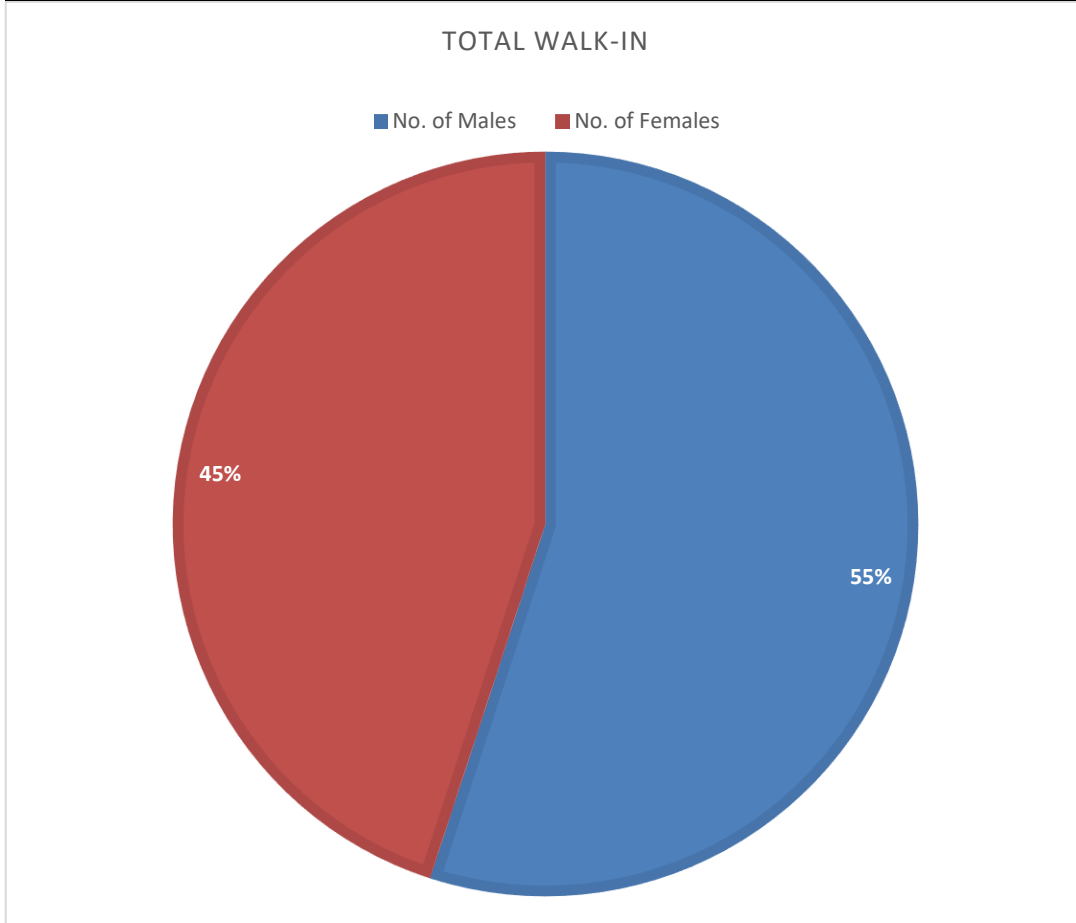
Q 3. Income?

In INR	NO. OF RESPONDENTS	PERCENTAGE
5000-20000	22	22%
20001-35000	48	48%
35001-50000	22	22%
>50001	8	8%

TOTAL WALK-IN

8%

22%

22%

48%

■ 5000 - 20000   ■ 20001 - 35000   ■ 35001 - 50000   ■ More than 50001
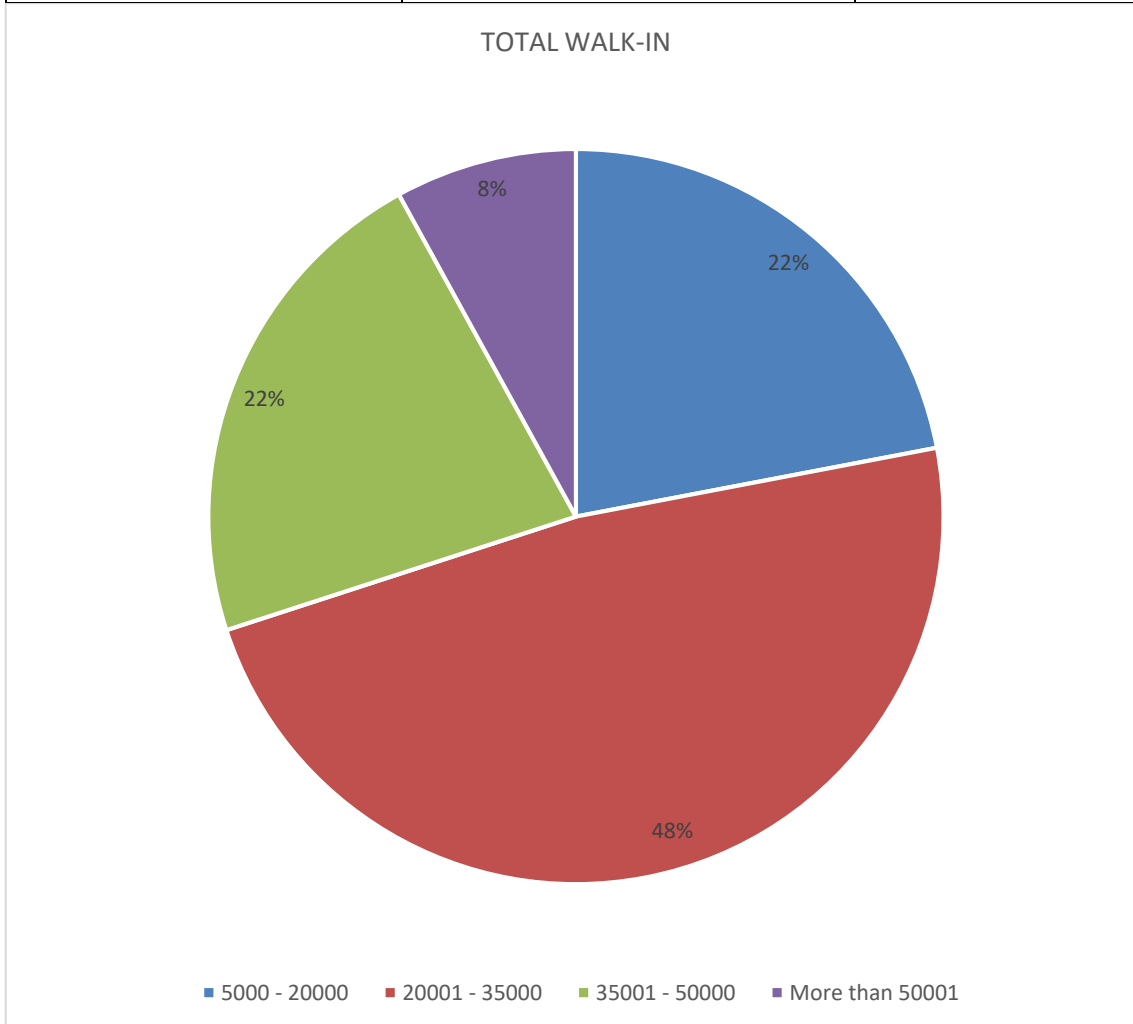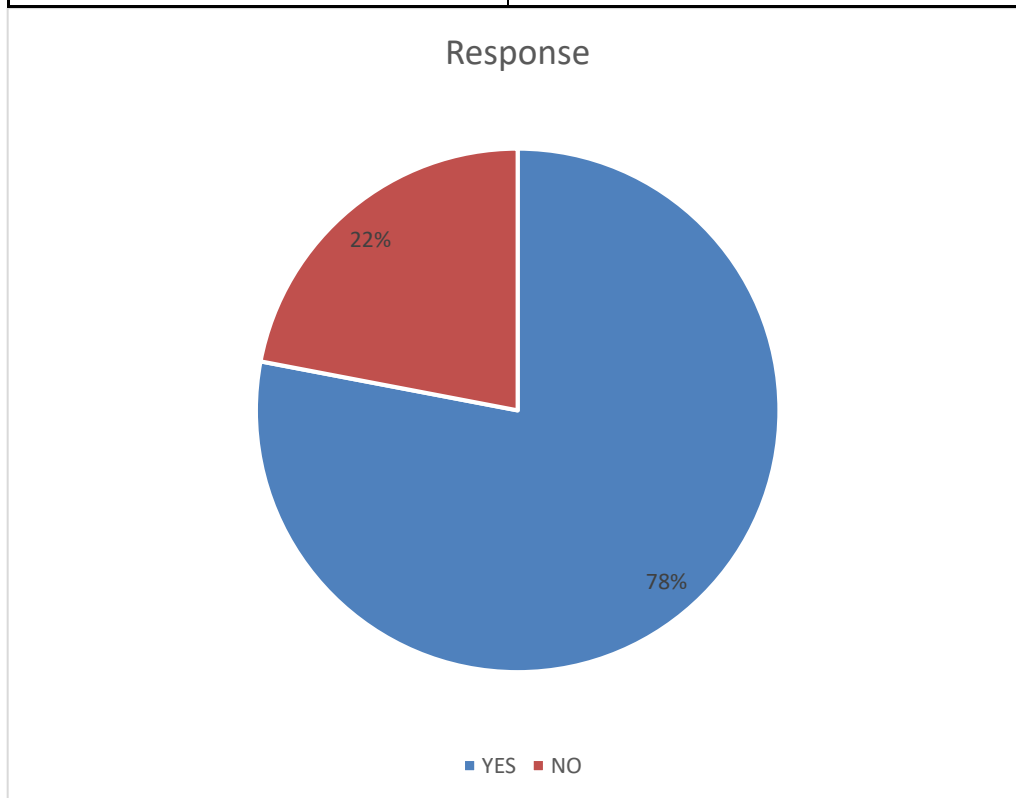
Q4. While Thinking of Reservation for HOTELS, Which OTA (online travel agent) comes in your mind?

Response	No's
OYO ROOMS	58
MMT	42
TOTAL	100
OYO ROOMS	58%
MMT	42%
TOTAL	100

Response

42%   58%

■ YES ■ NO
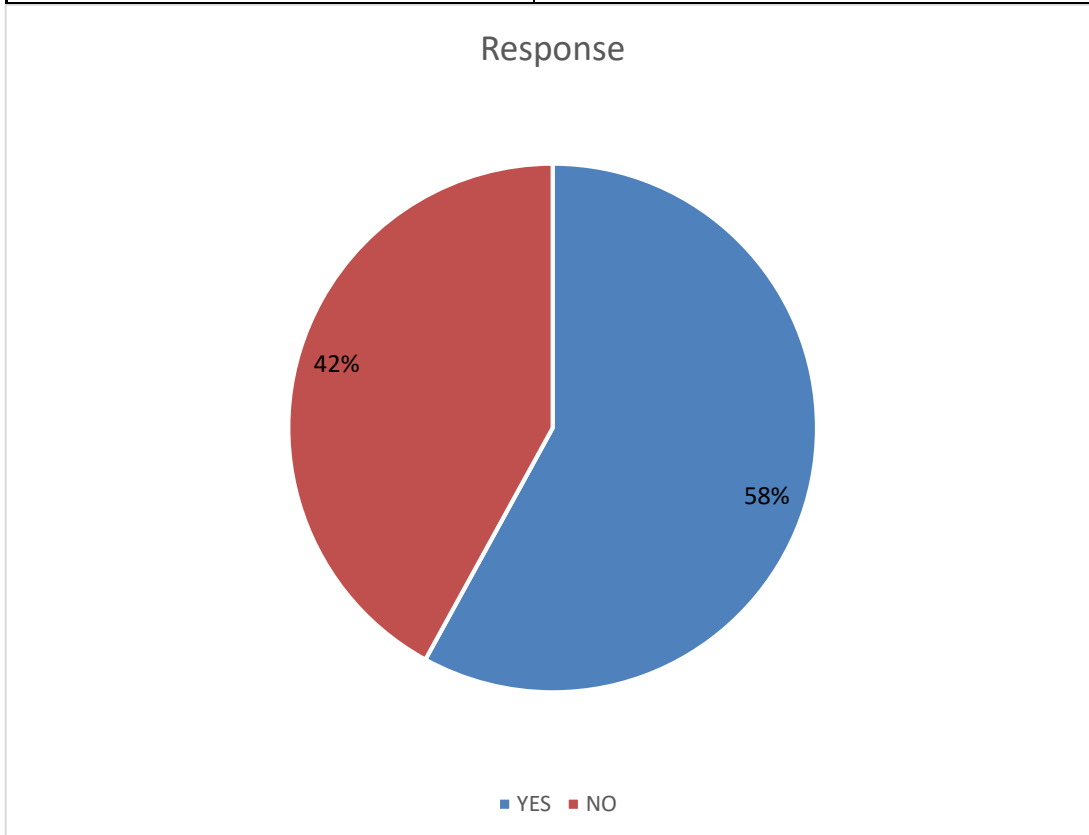
Q5. Have you ever faced troubles with finding hotels?

Response	No's
YES	78
NO	22
TOTAL	100
YES	78%
NO	22%
TOTAL	100

Response

YES ■ NO

Q6.Have you ever heard of OYO rooms?

Response	No's
YES	85
NO	15
TOTAL	100
YES	85%
NO	15%
TOTAL	100

Response

- YES ■ NO
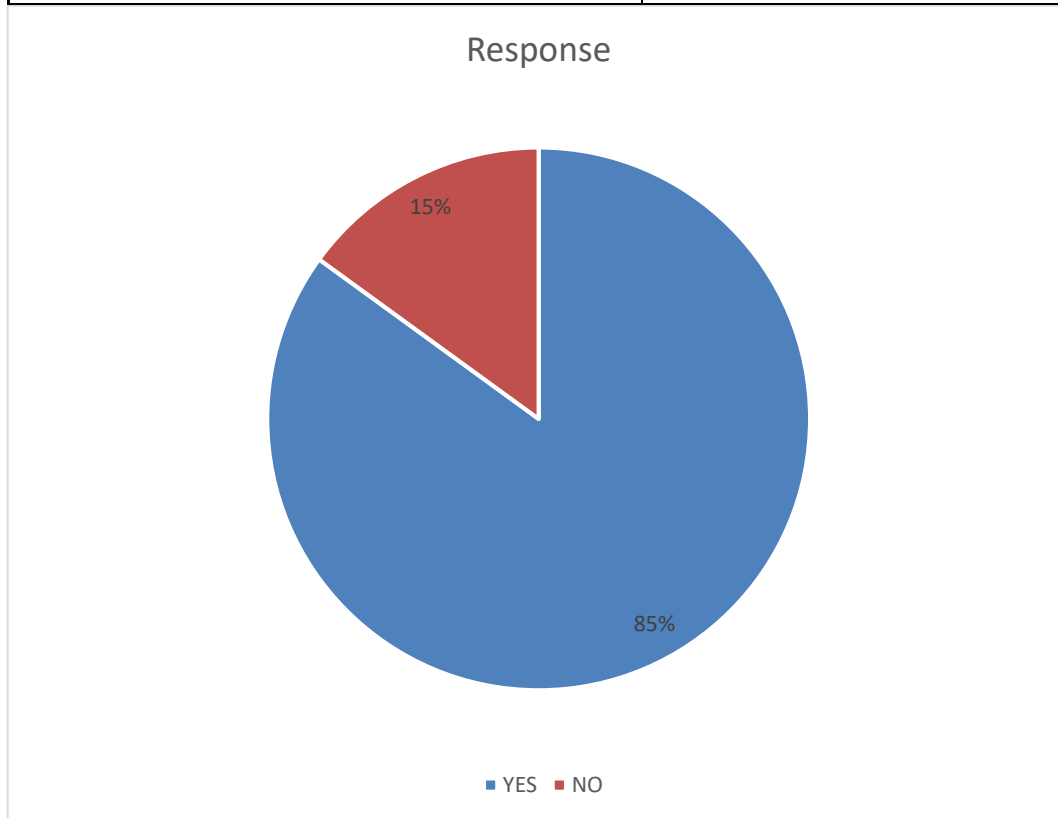
Q7. How You Come to Know about OYO Rooms?

Response	No's
Digital Advertisement	18
Friends Told	82
TOTAL	100
Digital Advertisement	18%
Friends Told	82%
TOTAL	100

Response

82% 18%

■ Digital Adv   ■ Friends Told
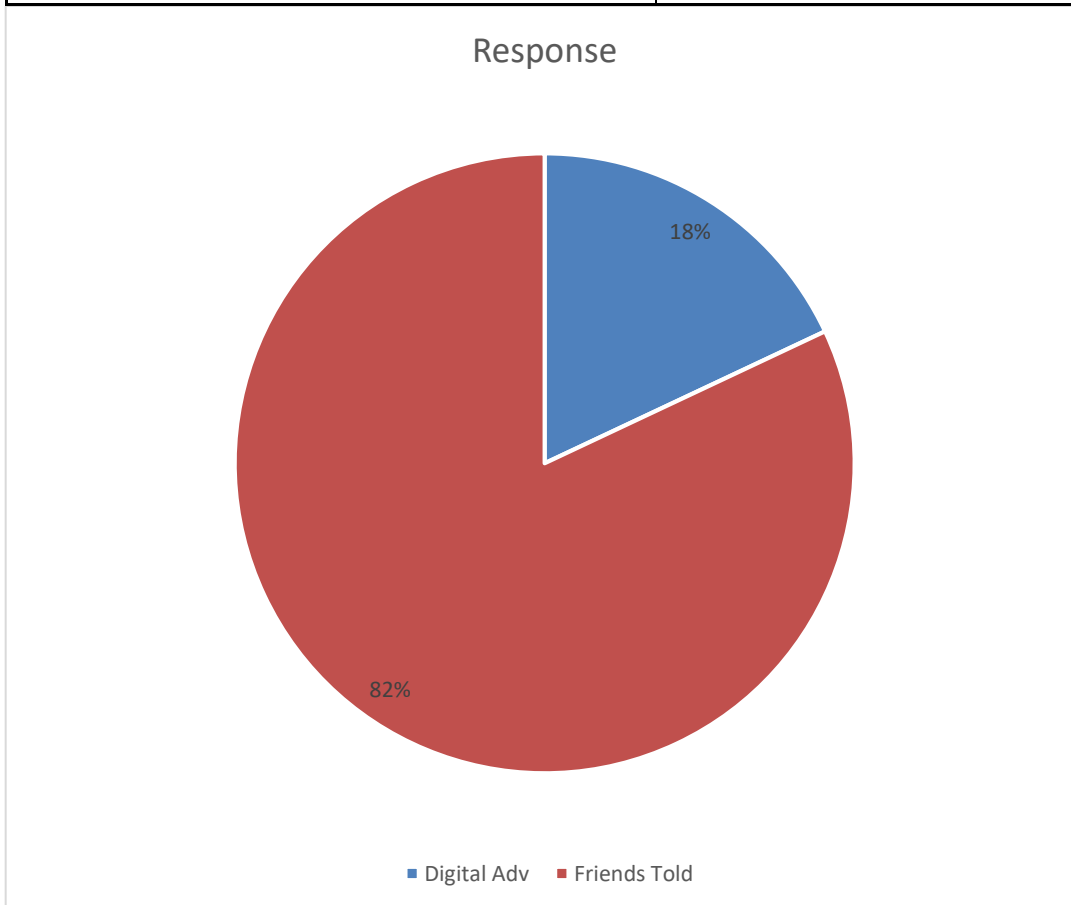
Q8. What is your Mostly Purpose of Travel?

Response	No's
social relationships	16
Opportunities to learn	33
Discover New cultures	51
TOTAL	100
social relationships	16%
Opportunities to learn	33%
Discover New cultures	51%
TOTAL	100

Response

■ Social Relationships ■ Opportunities to Learn ■ Discover new cultures
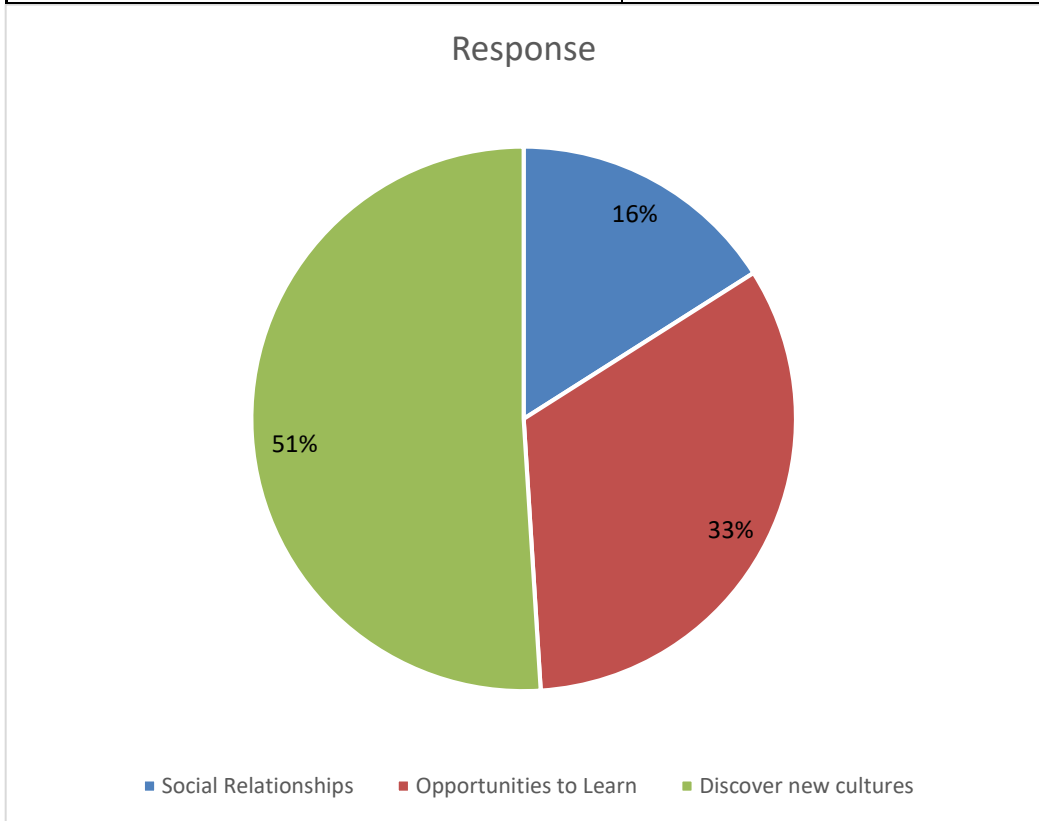
Q9. Would you download an app for booking a room?

Response	No's
Yes	31
No	69
TOTAL	100
Yes	31%
No	69%
TOTAL	100

Response

31%

69%

■ YES ■ NO
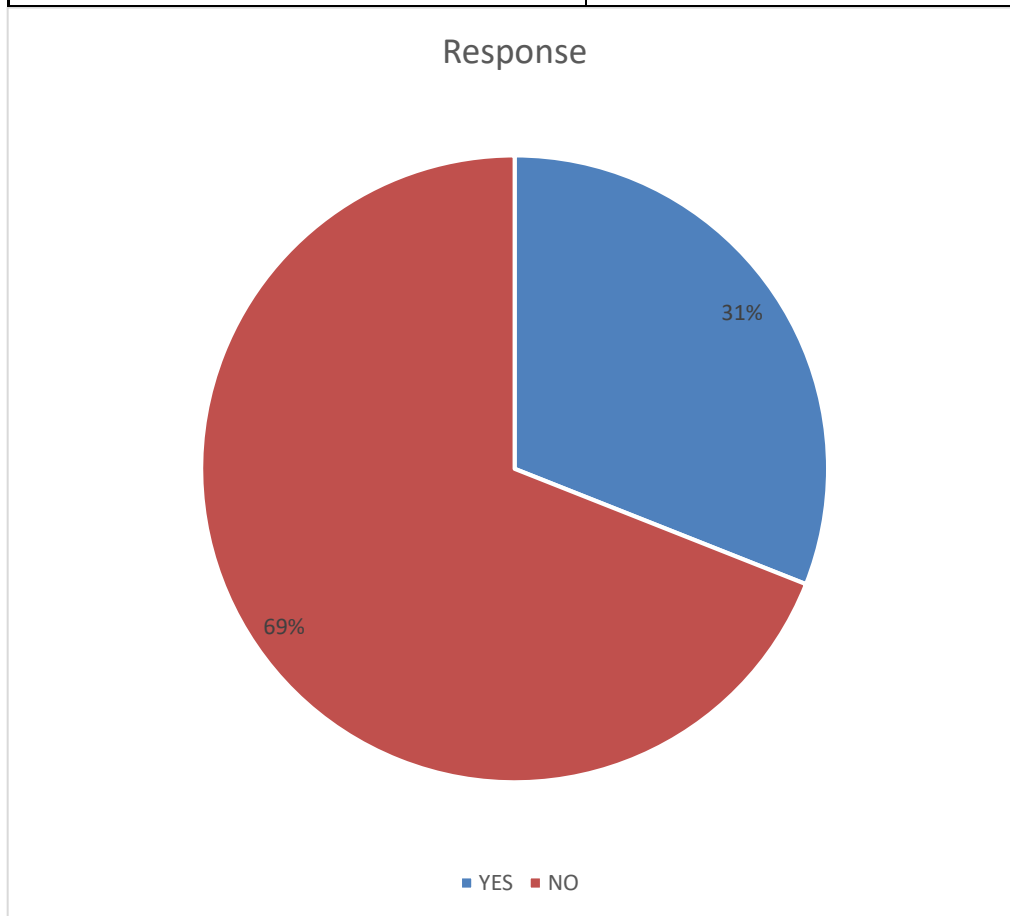
Q10. Would you prefer OYO Budget or OYO Premium?

Response	No's
OYO Budget	80
OYO Premium	20
TOTAL	100
OYO Budget	80%
OYO Premium	20%
TOTAL	100

Response

OYO Budget   OYO Premium
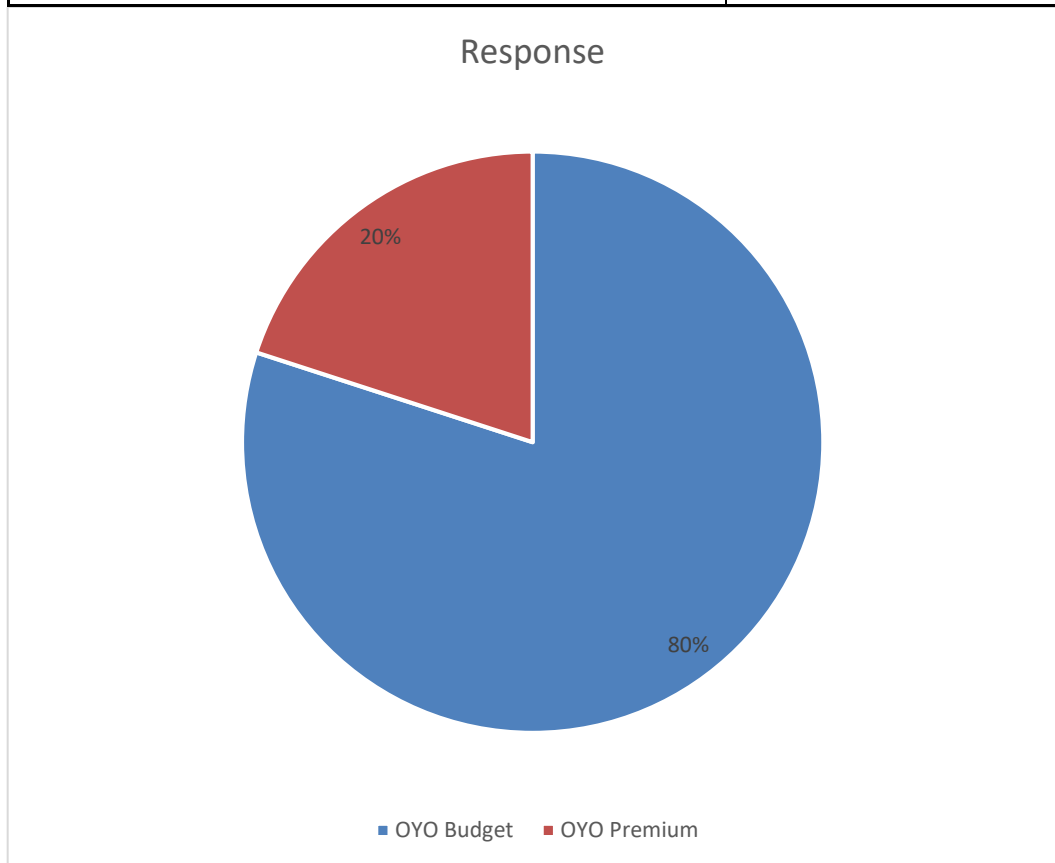
Q11. If you get a coupon that gives you flat 10% off on OYO Elite would you go for it?

Response	No's
YES	91
NO	9
TOTAL	100
YES%	91%
NO%	9%
TOTAL	100

Response

YES NO
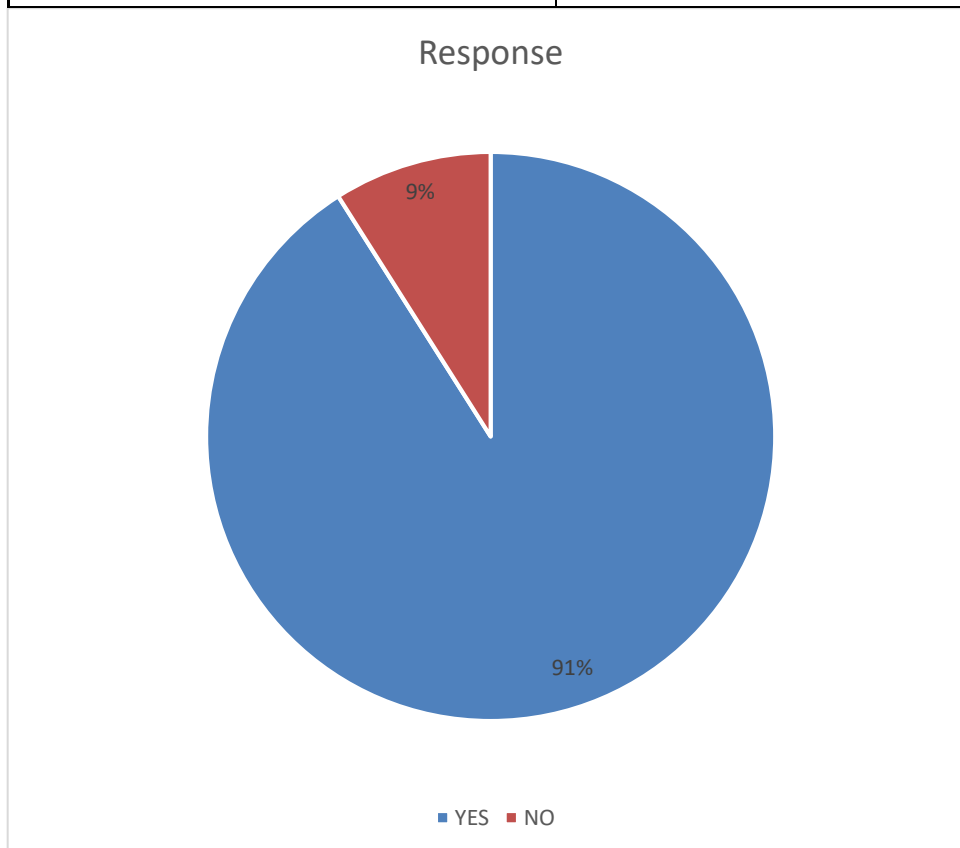
CHAPTER – 4

4.1 FINDINGS

- 48% customers earned between 20001-35000 rs per month.

- Out of 100 customers, 55% were Males and 45% females

- 68% of customer's think of OYO Rooms while reservations for hotels.

- 78% of customers are having troubles with finding a budget friendly hotel.

- 85% of them heard of OYO rooms and 15% of them have not heard.

- 18% of them heard of OYO rooms from Digital Advertisement and 82% of them heard from friends or others.

- The above graph depicts the opinion of the consumers, 51% of them travel to discover new cultures and 33% of them travel to learn more opportunities.

- From the above graph 69% people would not download an app 31% of them would.

- In the above graph only 20% opt for OYO Premium, while remaining of them would prefer OYO Budget.Hence majority of people are looking for OYO Budget.

- From the above graph we can say from a sample of 100, 91% of them would consider going for OYO Elite in future and 9% may not buy.

4.2 CONCLUSION

Industry is at a turning point, Where some are falling behind others like OYO are rushing forward with rapid Expansion, competitiveness and often fighting to steal the deal by a few more sales. The competition to be ahead doesn't stop there though, and social media is proof to that. These brands are also competing to be the fastest while responding to customer complaints and queries.

With increase in middle class income and availability of more money to spend, the increase in First time Travelers is on the rise. Which is a green light for all the organizations in the hospitality and tourism industry to upscale.

We observed a huge change in the social activity pattern; brands seem to have moved on from the regular Facebook and Twitter and have dominated their posting activities on Instagram. Like most people are beginning to say and if not all, the Hospitality Tech brands definitely live by "Instagram is the new Facebook"!

Among the various findings, here are a few interesting ones:

1. Oyo has Gone Unicorn and now expanding operations in other countries, which is also catering to the native as well as Indian Tourists.
2. Growth is spurious and sustainable, more acquisitions has helped OYO bring it's expertise in other segments.
3. Brands have a great understanding of their customers, as they seemed to have synced their active hours while their customers needed them the most.
4. The most powerful way of advertising is through word of mouth and through Social Media.

4.3 LIMITATIONS OF STUDY

There are certain limitations of doing this project especially comprising limitations for doing market research.

- **Costly:** Marketing research is a costly affair. It needs a lot of money to conduct various market research activities. Huge funds are required to pay salaries, prepare questionnaires, conduct surveys etc.

- **Time consuming:** Marketing research is a lengthy and time-consuming process. This process involves many important steps. Generally, it takes at least 3-6 months to solve a marketing problem. Therefore, it can't be used in urgent situations.

- **Limited scope:** Marketing research solves many business related problems but it can't solve all business problems. It cannot solve problems related to income, expenditure, relationship etc. thus its scope is limited.

- **Can't predict consumer behavior:** Marketing research collects data about consumer behavior. However, this data is not accurate because consumer behavior keeps on changing and cannot be predicted. It is also very complex as it is influenced by social, religious, economic and other factors.

- **Non availability of reliable data:** The quality of marketing research report depends on the quality of collected data. However, it is very difficult to find latest and trustworthy data.

- **Can be misused:** Sometimes, marketing research is misused by the company. It is used to delay decision. It is used to support the views of a particular individual.

4.4 SUGGESTION

1. There is a strong Competition among different brands for acquiring the marketspace.
2. Company should target the right customer and through right Channel.
3. Most of the Customers Are Youth who are post graduates or going to offices so marketing strategies should be made accordingly.
4. The product development is also an important factor as the needs of the customer keeps changing with time
5. Tourism should be encouraged and promoted.
6. OYO should give more focus on Demographic Condition, Market & Geographic Condition like Demand, Supply, Business, Locations, and Clients as they vary from city to other city.
7. OYO should go for a short stay.

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