



LIVE 5 SEASON

CASE STUDY

FMS • E-COMMERCE • CLEARTRIP.COM

CLEARTRIP.COM CASE STUDY

Profile:

Launched in July 2006, Cleartrip is one of the leading online travel companies in India. Based on a straight forward premise of “making travel simple” for its customers, it achieves this with a clean and clutter-free website, a site that is fast to load, quick in providing relevant information, simple to navigate and offering an easy booking process.

Cleartrip works with its extensive customer base through a variety of key channels, Cleartrip.com a dedicated consumer website; Agent Box, an exclusive tool targeting India's large agency base; Cleartrip Mobile, the sexiest, most comprehensive travel product available on a mobile phone today, and Cleartrip for Business, an online corporate travel management tool.

True to Cleartrip's DNA, the recently launched packages make travel unbelievably simple, without forcing travelers into pre-planned, fixed itineraries. All there is to select is a destination, flights and a hotel. With the best hotels and the most convenient flights together on one screen, Packages help get travel bookings out of the way in one shot.

Offering convenience, choice without confusion, multiple payment options, competitive prices and exclusive destination information, Cleartrip is very customer oriented. Paying testament to service excellence, Cleartrip has pioneered innovation through technology with unique Cleartrip features like:

- Fare Alerts - Track airfares before you buy and save big
- Expressway - One touch bookings
- Passbook support - Go paperless with all your tickets now on Passbook
- Pricewatch - Your money back when price falls, after you book
- Quickeys - Exclusive hotel deals at the last minute

Ushering in a refreshingly simple approach to online booking, Cleartrip is also one of UAE's leading travel portals, with a comprehensive travel product customized for the GCC. With its launch in May 2010 that announced its first foray outside the Indian shores, Cleartrip is now also available in Oman, Qatar, Kuwait, Bahrain and Saudi Arabia.

With a fully functional Arabic site for its UAE customers, Cleartrip also boasts of intuitive tools like; the at-a-glance Air Fare Calendar and the display and payment of fares in local currency for hassle-free, faster transactions in just a few simple steps.

In a first ever, Cleartrip Mobile (a proudly Indian product) was selected as the 'Editor's Pick' in Apple's App Store. What's more, it was adjudged “Product of the Year 2013” in the Travel Category at the 'Product of the Year 2013' survey conducted by Nielsen. It also bagged the Mobile Mover of the Year award at the 2011 Web in Travel WITovation conference in Singapore. Cleartrip Mobile in the UAE was adjudged 'Best App - Travel & Hospitality' at The Mobies 2013 that honor the Best in Mobile Innovation in the Middle East.

With numerous firsts in the online travel agency, Cleartrip was adjudged India's Favourite Travel Website at Condé Nast Traveller's Readers' India Travel Awards 2010 and touted amongst the Top 2 eCommerce websites of 2010 in India by The Internet and Mobile Association of India (IAMAI). The Red Herring Top 100 Asia (2010) list featured Cleartrip as one of the most innovative companies from a pool of hundreds from across Asia based on technological innovation, management strength, market size, investor record, customer acquisition and financial health.

Recognized as India's best travel website at 'PC World's Best Indian Websites Awards 2006', Cleartrip was awarded the Excellence in Open Source Technologies Implementation by 'Skoch Consultancy Services and Red Hat' in 2007. It was also deemed as the 'Google of Travel Sites' by the jury of 'PC World Web Awards 2008'.

Company Fast Facts:

- Daily Air Transactions: 14,000-15,000
- Daily Hotel Room Nights: 1,900-2,000
- Cleartrip Hotels contracted in India: over 9000+
- Cleartrip Mobile searches: 25-28% of total searches overall

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- Cleartrip Mobile daily: make 8-10% share of desktop transactions
- Cleartrip gets around four million unique visitors per month
- The registered user base on Cleartrip is over two million

Case profile:

The Indian online travel industry has been largely 'transportation' focused, as the consumer adoption to the same has been spectacular. Online adoption rates for air & trains are to the tune of around 40%. In comparison, hotels haven't yet got the same traction with less than 8% of the bookings happening online.

Some of the challenges include:

- Offline pricing parity - Some of the hotels don't respect pricing parity, and hence offer a lesser rate when somebody directly contacts the hotel
- Online Pricing parity (Still 1/3rd of the hotels are on 'net-rate' pricing, which means the aggregator can do the markup)
- Pricing display - Some of the online aggregators display total pricing, while some others display only the room rate, (and add taxes later).
- Demand & Supply - Is the demand & supply being met across the categories of hotels & destinations?
- Long tail - A chicken & egg problem
- Accuracy of information shown online (esp. hotel and room photos)
- Business models - Pay at hotel vs Pre-pay
- Competition, which includes the global hotel biggies (e.g. Booking.com, Agoda), along with the local ones
- A much greater percentage of air bookings are made online, compared to hotel bookings. This could be due to multiple reasons, a few of which are:
 - Air tickets are a commoditized product with little differentiation between the alternatives, whereas hotels are not.
 - Price parity between OTA and supplier websites is much greater for flights than for hotels.
 - People still tend to rely on personal recommendations for hotel bookings, or recommendations from offline travel agents.

At the same time, it is a huge opportunity for OTAs who differentiate their offerings with their customer focus and achieve long term success for themselves.

The LIME Challenge:

The objective for the exercise is to provide Cleartrip with a strategic marketing approach towards the hotel market, and provide an execution plan for the same.

It should cover the following in some detail after thinking through the challenges above

- In depth understanding of the 4Ps - Product, Placement, Pricing, Promotions and Distribution.
- Customer proposition and competitive positioning:
 - What are the key impediments to people booking hotels online (apart from the ones listed here)? How do you encourage customers to book hotels online instead of through offline travel agents or with the hotels directly?
 - How do you differentiate yourself w.r.t. the competition, when everyone is making the same claims?
 - How do you get people to care about the user experience when everyone is talking about deals and offers? How do you create brand loyalty?
- Overall marketing strategy to accomplish the goal of being the market leader in the hotels space (Customer acquisition strategies, Investment required, Media mix etc.)

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Approach:

- Primary & Secondary research for customer behavior (Demand)
- Supplier side research for problem statements

Mentor:

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