



TV 18



# LIME.6

SEASON

## CASE STUDY

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# YATRA.COM CASE STUDY

## Company Profile: Yatra.com

Launched in August 2006, Yatra.com is today ranked as the leading provider of consumer-direct travel services in India. Positioned as a brand that believes in 'Creating Happy Travellers', they provide information, pricing, availability and booking facilities for domestic and international air travel, hotel bookings, holiday packages and bus and railway reservations. Yatra.com, offers a host of travel services designed to make business and leisure travel easier.

Customers can access Yatra.com through multiple ways: through their user-friendly website, mobile optimised WAP site and applications, 24x7 multi-lingual call centre, as well as a countrywide network of Holiday Lounges. Yatra.com provides booking facilities for all the popular as well as exotic domestic and international destinations.

### Company facts:

- Daily air transactions- 30,000-40,000
- Daily hotel transactions- 3,500-4,500
- Number of Indian Hotels contracted - 15,000 +
- International hotels- 4,00,000 +
- Monthly holiday package sales - 7,000-10,000
- 20 per cent of total air and hotel transactions are on mobile

### Yatra.com provides unique features like:

- Yatra Exotic Routes- a platform designed to create quality holidays with unmatched service
- Adventure Nation- network your way through wild adventure activities across India
- Events- where customers can plan their travel around events in different cities

### Yatra.com has established a strong network that provides:

#### • Quality and Quality Control

Products are designed by experts who understand the region and the requirements of the customers, while at the same time ensuring that the products are of the highest quality.

#### • 24x7 service

Yatra.com offers support 24x7 to their customers as they understand that assistance might be required at any time.

#### • Ability to create new supplier base with rate advantage

With contacts around the world, they are able to partner with newer suppliers and offers customers the best rate advantage.

#### • Product differentiation

While designing each holiday package, they keep in mind the travellers' comfort, which hotels to partner with, and add unique stops to the itinerary to ensure that the traveller gets the best out of each destination. This attention to detail is what makes their products different and better.

## Background:

The Indian OTA industry is growing at 49% CAGR; OTAs account for 17.5% of total gross bookings. As disposable incomes increase, and internet access and speed improve, it is expected that the penetration of online travel will increase and the online travel market is expected to grow at over 25% CAGR for the next decade.

Yatra.com started out with a bulk of their revenues coming from air ticket bookings. However, with decreasing air margins, Yatra.com has focused on non-air products and holiday package sales have become a large part of their revenue over the last few years. While margins in non-air products are higher, there are different set of challenges that need to be addressed since selling holiday products is much more complicated compared to flights. As a result, while researching for holiday packages takes place online, most of the bookings of holidays are done through the call centre or via retail stores. Yatra.com sells a mix of fixed itinerary packages as well as completely customised packages that are created based on the traveller's individual preferences.

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## Objective:

Yatra.com would like to address the issue of customers being hesitant in buying holiday packages online even though they are researching the product online. Today, online booking of holiday packages is less than 10% of Yatra.com's holiday packages sales. It would be ideal to encourage customers to start purchasing holiday packages online, thereby enabling Yatra.com to scale up their holidays business without having to add costs of offline infrastructure and people.

## Customer Insights and Challenges:

- Buying a holiday package is an involved process consisting of four phases:
  - ~ Dreaming / Inspiration - the customer gets inspired to visit a certain place
  - ~ Research- she researches from ample options online and/or offline
  - ~ Booking - once the research is complete the customer can book online/offline. Customers prefer to book holiday packages offline
- Experiencing - the customer has to be satisfied with the overall experience -pre-booking, pre-trip and on the trip not a standard product like flights; a holiday package involves transportation, accommodation and sightseeing options, as well as decisions on routing/itineraries and length of stay at different cities/locations. There is a high degree of customisation that the customer desires based on their individual preferences.
- Service is an extremely important factor at all stages in the buying process. Competition- there are a number of organised and unorganised competitors who have similar products and are very price competitive. Therefore the customer does a price comparison amongst providers. Price negotiation with a holiday provider on price/additional inclusions is a standard customer behaviour.
- Create your own package - more evolved customers might prefer booking flights, hotels, sightseeing packages separately if they get them cheaper on various online portals.
- Online information - as most of the research is done online, showing details of the holiday package is very important. In addition, photos and videos improve the engagement of the customer in the research process.
- Customers prefer a human interaction rather than just buying the complete product online since every customer has a different expectation.
- Typically the final decision takes place after multiple interactions.

## Methodology:

We recommend that the methodology that you use should be:

- Study product, customer preferences and market viability
- Logical
- Interpretive
- Qualitative and Quantitative

## Expected Output:

- Present a plan for Yatra.com to drive online booking of holiday packages. It should cover the following;
  - ~ Website/mobile booking flow
  - ~ Product and Content
  - ~ Pricing strategy
  - ~ Marketing/communication plan
- The approach should fit with the current brand image of Yatra.com