

## REDBUS CASE STUDY

Name:

<b>Question 1</b>	<p>Identify at least <b>3 key metrics</b> for RedBus that you, as a Growth PM, would monitor actively in order to improve its transactional funnel? Also, provide relevant reasons for considering these metrics.</p> <p>(Instructions: Review their app and website thoroughly to be able to come up with relevant metrics.)</p>
<b>Response</b>	<ol style="list-style-type: none"> <li><b>No. of Downloads:</b> — No. of Downloads are the starting metric for any newly app launched or updated version with additional features</li> <li><b>Churn Rate:</b> — Churn rate is the opposite of retention rate. It tells how many people stopped using app.</li> <li><b>Second Factor authentication:</b> — Remembering a password, receiving OTP etc</li> <li><b>Payment gateway:</b> — Choices of right E-wallet and payment modes</li> </ol>
<b>Question 2</b>	<p>Which of the <b>3 user segments</b> could be the most valuable for achieving your business objective? Explain your reasons behind selecting these segments.</p> <p>(Instructions: Explore the behavioural, demographic and technical segmentation categories, which you learnt about earlier)</p>
<b>Response</b>	<ol style="list-style-type: none"> <li>Behavioural: helps in designing product features according to the preferences of the majority customer base. <ul style="list-style-type: none"> <li><b>Travelling mode:</b> Normally in Tier 2 and 3 Cities , people travel via a bus since Flights prices are higher &amp; not available every time. ssTrains also ticket is fully book in season. Bus is only option for them.</li> <li><b>Ticket purchasing behaviour:</b> Price, offers, discount, service, brand, availability, personal experience.</li> <li><b>Preferred booking mode:</b> In tier 2 and 3 cities people mostly used Android device rather than Laptop. They are mobile savy people.</li> <li>Influence of social media, SMS and emails on consumers.</li> </ul> </li> </ol>

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	<p>2. Demographics:</p> <ul style="list-style-type: none"> <li>• Location wise: Tier 2(Tier 2(Agra, Lucknow, Jaipur, Chandigarh,) and Tier 3 cities</li> <li>• Age wise: Most of the 20 to 40 Years age people travel. Companies employees travel frequently, Tourist (group reservation)</li> <li>• Gender: Male are mostly travel for business purpose or study purpose.</li> <li>• Language: In tier 2 &amp; 3 cities still prefer to speak Hindi or their local language.</li> </ul> <p>2. Technical segments:</p> <ul style="list-style-type: none"> <li>• Operating system: Android, Windows</li> <li>• Device: Desktop, Mobile phone, Laptop</li> <li>• Browser: Chrome Browser 4. Psychographic segment:</li> <li>• Frequency of trips: Mostly Indian travels Twice in a year. College student / Business travelled frequently.</li> </ul>
<b>Question 3</b>	<p>A. Write down the steps involved in the checkout funnel for RedBus?</p> <p>B. Which <b>4-5 cuts or parameters</b> would you use in order to monitor this funnel on a daily basis?</p> <p>(<b>Hint:</b> For instance, you could consider the usage across Android, iOS, web and mobile web. This would be a cut or a parameter by 'platform'. You must identify and mention other such parameters.)</p>

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Response (3A)		Awareness
	<div></div> Homepage/Homescreen visit	{
	<div></div> Search Bar active phase	
	<div></div> Search Results - Bus Selection	
	<div></div> Seat Selection	
	<div></div> Select pickup & drop off point	
	<div></div> Passenger Details	{
	<div></div> Payment Page	
	<div></div> Traveller Confirmation	
		Decision

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<b>Response (3B)</b>	<ol style="list-style-type: none"> <li>1. Operating Platforms - Segregating traffic by platforms used - iOS, Android &amp; Web</li> <li>2. Type of Product bought - As we've seen, redBus has 4 products that they sell to B2C customers. It will be important to be able to filter through product choice to see which one is performing better.</li> <li>3. New vs. Returning customers - First time bookers vs. returning customers. redBus can then offer returning customers benefits to keep them engaged, since it will improve their CAC:LTV ratio</li> <li>4. Traffic Channels - Reporting traffic derived from marketing campaigns, paid ads, etc...</li> </ol>
<b>Question 4</b>	<p>A. Suggest at least <b>2 new features</b> and <b>2 growth strategies</b> that can help RedBus increase the number of transactions?</p> <p><b>(Hint:</b> Focus on increasing customer engagement and retention, as the key business objective is to increase the number of transactions without increasing the customer acquisition cost.)</p> <p>B. What are the metrics that you would use in order to measure the success of these features and strategies? Also, provide reasons behind choosing these metrics.</p> <p><b>(Note:</b> Mention <b>at least 3 key metrics</b>, along with valid reasons for considering them.)</p>

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<b>Response (4A)</b>	<p><b>New features</b></p> <p>1. In-app travel notifications Since redBus already has a strong 'Track My Bus' feature that works in real time, they can allow users to allow track their journey with push notifications instead of repeatedly opening the app. Reminders can be set-up for halfway points, 30 minutes prior to reaching the drop off points or as an alarm to wake them up before they reach.</p> <p>Metrics to track: Sessions for Track My Bus while in-journey, Session duration while using Track My Bus</p> <p>2. COVID information trackers for Origin &amp; Drop-off points In the age of COVID19 and forever changing travel restrictions, redBus could compile &amp; update a repository of information from State Governments with changing protocols so that users do not have to exit to double check what the restrictions are.</p> <p>Metrics to track: Bounce Rates from checkout page, Sessions for Landing pages, Call To Action CTR</p> <p>3. Reserve a seat feature Many travel companies, like Emirates, allow customers to reserve a seat for the displayed price for a limited period of time for a small price, if they aren't too sure about booking it. If the booking is confirmed and paid for within the time frame, the fee is refunded. This may also bring in another revenue stream.</p> <p>Metrics to track: Bounce Rate from checkout page, Purchases for Reserve My Seat, Bookings that include a RMS refund</p> <p><b>Growth prospect</b></p> <p>1. Loyalty Program A loyalty program is a marketing strategy designed to encourage customers to continue to shop at or use the services of a business associated with the program. redBus' loyalty program can offer a tiered membership where upgrades are earned by using redBus to book more often and engage more often with the brand itself. They can use the program to create a community of travellers who are like-minded and can grow their reach organically, thereby increasing customer engagement and improving retention.</p> <p>Metrics to track: Bookings made by members vs. non members, Referral invites sent by members, NPS score</p> <p>2. Offers &amp; Partnerships with travel brands At the moment, redBus has two offers - one for first-time users and one for Amazon Pay. If they could leverage their business partnerships with popular brands in Tier 2 &amp; Tier 3 cities, they could perhaps increase their reach in these cities. If they offer returning customers a discount, they may be able to retain that customer and lower the acquisition cost.</p> <p>Metrics to track: Promocode tracking, Sessions for Landing pages, Referral traffic, CTA/Add-ons CTR</p>
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	<p>3. Aggressive Sign-Up Once you download the app, redBus does not prompt you to sign up to their site. If they did ask users to sign up, and provide their email addresses -then you can target them with the First-Time Booker offers and tell them more about why they should book with your site and not another aggregator.</p> <p>Metrics to track: New Member Sign-ups, email open rates, CTA/Add-ons CTR</p>
<b>Response (4B)</b>	
Question 5	<p>According to you, what are the major challenges that RedBus could face in the next 12-24 months?</p> <p><b>(Note: Mention at least 3 major challenges, along with valid reasons)</b></p>
Response	<p><b>1. COVID19 protocols</b></p> <p>At the moment, rPool does not require Ride Takers or Ride Givers to follow any COVID19 sanitization protocols. This may cause an issue if the number of cases in Bangalore, Hyderabad, Pune, New Delhi NCR, Chennai starts increasing. If it does, they may need to shutdown services again.</p> <p><b>2. Direct bookings</b></p> <p>Frequent travellers may already have developed good direct 'offline' relationships with travel &amp; tour companies and may not see the advantage with booking on redBus.</p> <p><b>3. Cannibalization threat from bigger OTA's and players in the market</b></p> <p>Bigger OTA's like Yatra are well known in the travel market and have a large customer base that be mobilized easily. Without a distinct brand identity and difference, redBus could easily be cannibalized and see their 70% share in the market (2019) significantly reduce in the next 5 years.</p>

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Criteria	Parameters	Weightage (%)	Does Not Meet Expectations	Meets Expectations
Identifying Key Metrics	Identifying key metrics that are in accordance with the business objectives	20	<b>Fewer than 3</b> key metrics have been identified and a relevant explanation to considering these metrics has not been provided	<b>At least 3</b> key metrics have been identified correctly. Also, a valid explanation for considering these metrics has been provided
Defining User Segments	Defining user segments based on different segmentation techniques	15	<b>Fewer than 3</b> user segments have been mentioned, and they are not classified based on demographics, behavioural/psychographic and technical categories	<b>At least 3</b> user segments have been mentioned, and these user segments have been classified based on demographics, behavioural/psychographic and technical categories
Funnel Analysis	Identifying the steps involved in the checkout process	10	<b>All</b> the important steps of the checkout process have not been mentioned correctly	<b>All</b> the important steps of the checkout process have been mentioned correctly
Listing Parameters for Cuts	Mentioning the parameters for the that cuts you will use to monitor the funnel	10	<b>Fewer than 4</b> cuts have been provided, without any explanation	<b>At least 4</b> cuts have been provided, along with valid reasons for considering these cuts

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Suggesting New Features & Growth Strategies	Suggest new features and strategies that can help redBus increase the number of transactions	20	<b>Fewer than 2 new features and 2 growth strategies</b> have been mentioned, without a relevant explanation	<b>At least 2 new features and 2 growth strategies</b> have been mentioned, along with a relevant explanation
Identifying Key Metrics	Mention the key metrics that would you use to measure the success of these features and strategies	10	<b>Fewer than 3</b> metrics to measure the success of the suggested features and growth strategies have been identified	<b>At least 3</b> metrics to measure the success of the suggested features and growth strategies have been identified
Identifying Challenges	List down the major challenges that redBus could face	15	<b>Fewer than 3</b> challenges have been listed, without any relevant explanation	<b>At least 3</b> major challenges have been listed, along with a relevant explanation

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