BDM Capstone Project

Lead time Optimization of Madpackers

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About the Organization

- Established in 2014, Madpackers was founded with an idea to create a chain of backpacking hostels that are safe as well as affordable

- It serves under the hospitality sector and largely caters to youngsters and solo travelers.

- The key visionaries behind this idea are Mayank Srivastav and Narender Sondhi.

- It started its operations in Delhi and over the years expanded to other locations like Rishikesh, Amritsar, Agra, Bir, Dharamkot, Jibhi, Khajuraho, Manali, and Pushkar

- The organization is on a mission to foster an adventurous spirit among the Indian youth.
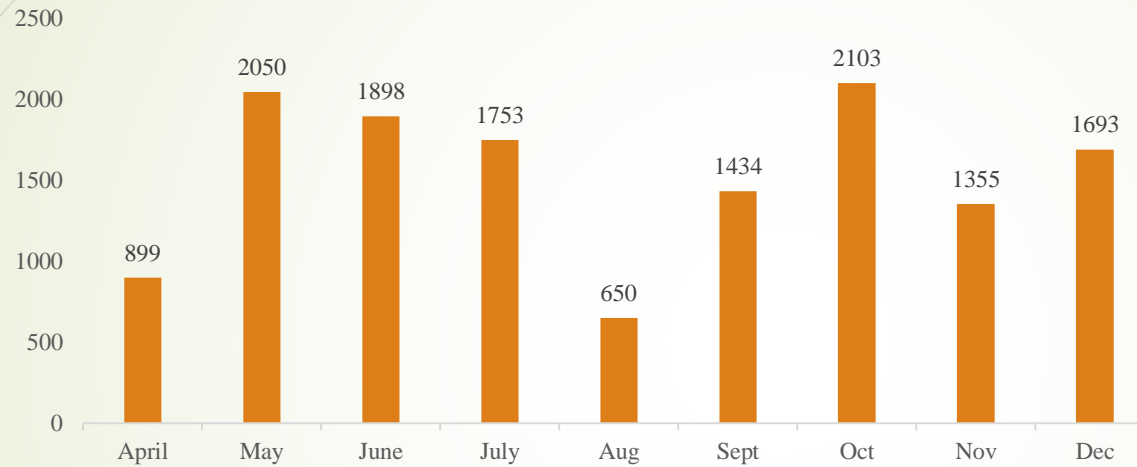
Problem Statement

- How to increase their average lead time so that they can better forecast their revenue and more efficiently manage their occupancy.

- To solve this problem we will be analyzing their pricing strategy and gauge level of satisfaction of customers through NPS.

- For the price analysis we will collect data regarding their Rishikesh hostel for the period of 9 months (April-22 to Dec-22).

- For the NPS part we will collect data regarding reviews of their Rishikesh, Manali, Pushkar and Agra hostels for the period of 9 months (April-22 to Dec-22)

- We will be using excel as a tool for analysis and various visualization methods like Bar charts, Line charts and more.

Analysis

Number of Reservations by month Rishikesh hostel

April	May	June	July	Aug	Sept	Oct	Nov	Dec
899	2050	1898	1753	650	1434	2103	1355	1693

Distribution of Lead time Across Months Rishikesh hostel

April	May	June	July	Aug	Sept	Oct	Nov	Dec
4.0	2.2	3.4	2.5	10.7	2.6	4.4	4.1	4.0

➡ It is evident from the charts that April and August witness the least numbers of reservations, while May and October witness the highest number of reservations.
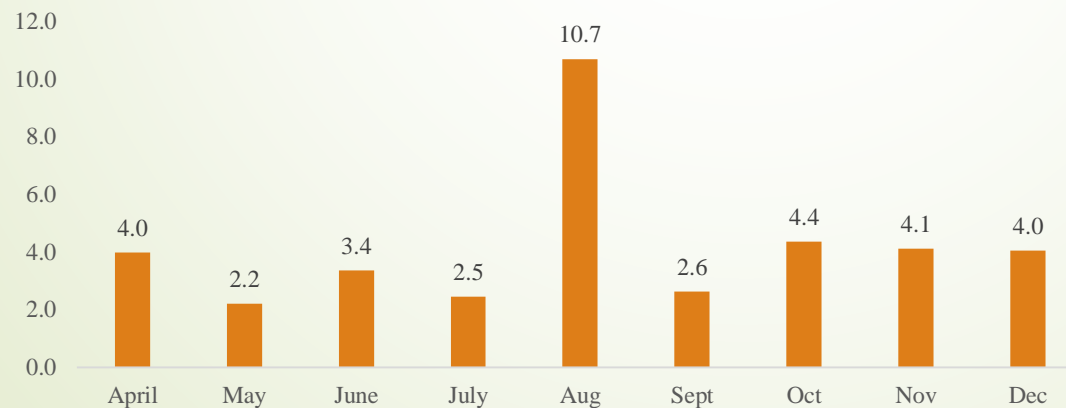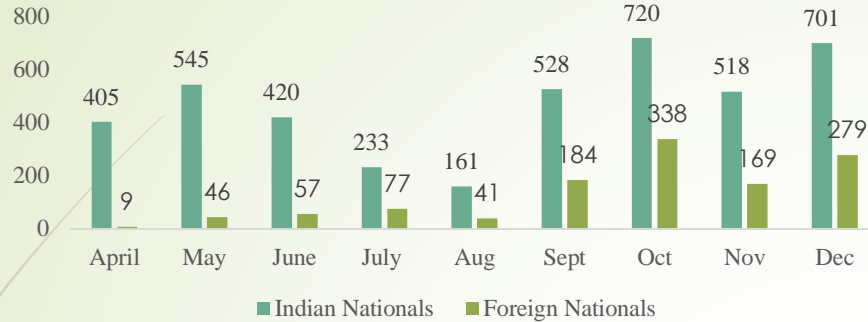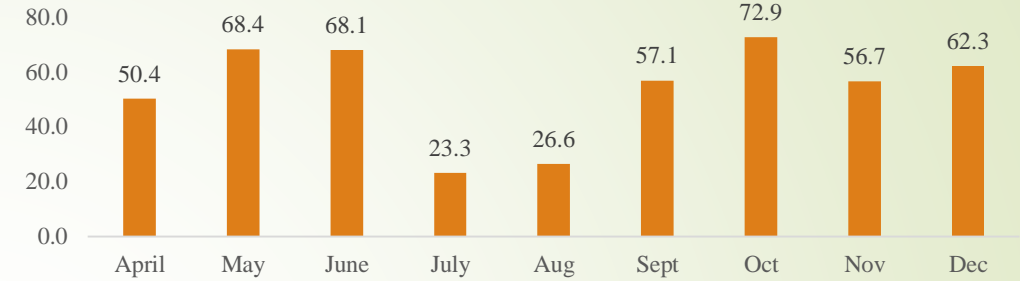
➡ When it comes the lead time August has the maximum lead time, while the other months have a lead time between 2-4 days.

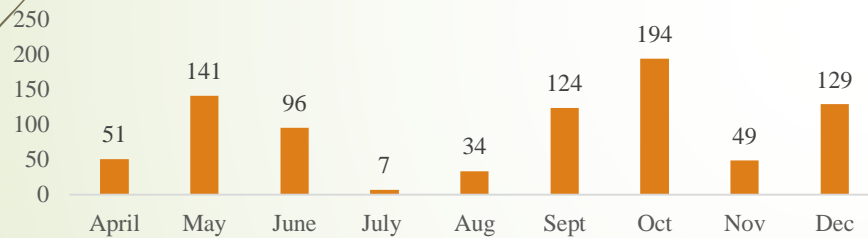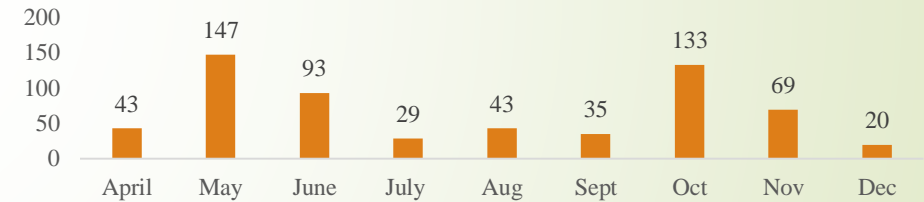**Distribution Indian Nationals and Foreign Nationals for Rishikesh hostel**

Month	Indian Nationals	Foreign Nationals
April	405	9
May	545	46
June	420	57
July	233	77
Aug	161	41
Sept	528	184
Oct	720	338
Nov	518	169
Dec	701	279

Distribution of Avg Occupancy across months for the Rishikesh hostel

Month	Avg Occupancy
April	50.4
May	68.4
June	68.1
July	23.3
Aug	26.6
Sept	57.1
Oct	72.9
Nov	56.7
Dec	62.3

Distribution of Cancellations Across Months Rishikesh hostel

Month	Cancellations
April	51
May	141
June	96
July	7
Aug	34
Sept	124
Oct	194
Nov	49
Dec	129

Distribution of No-Show Customers across Months for the Rishikesh hostel

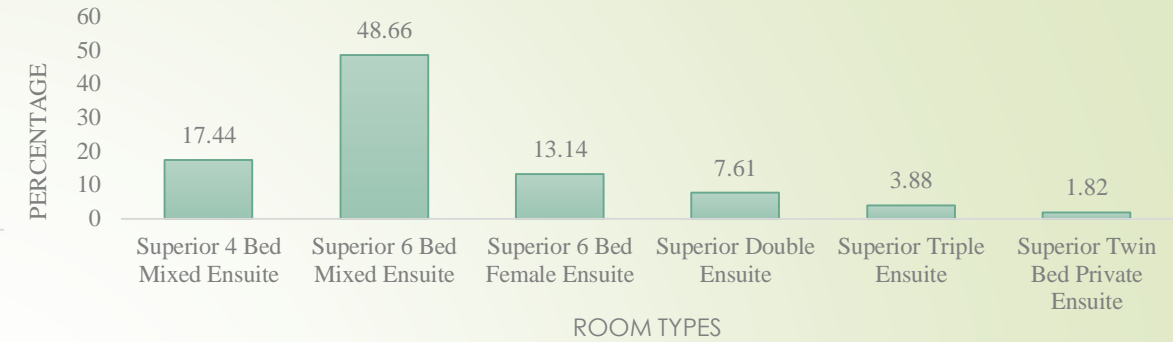| Month	No-Show Customers
April	43
May	147
June	93
July	29
Aug	43
Sept	35
Oct	133
Nov	69
Dec	20

- It can be the first chart that September, October, November and December are months with highest number of foreign nationals.

- May, June, and October are the peak months for the hostel.

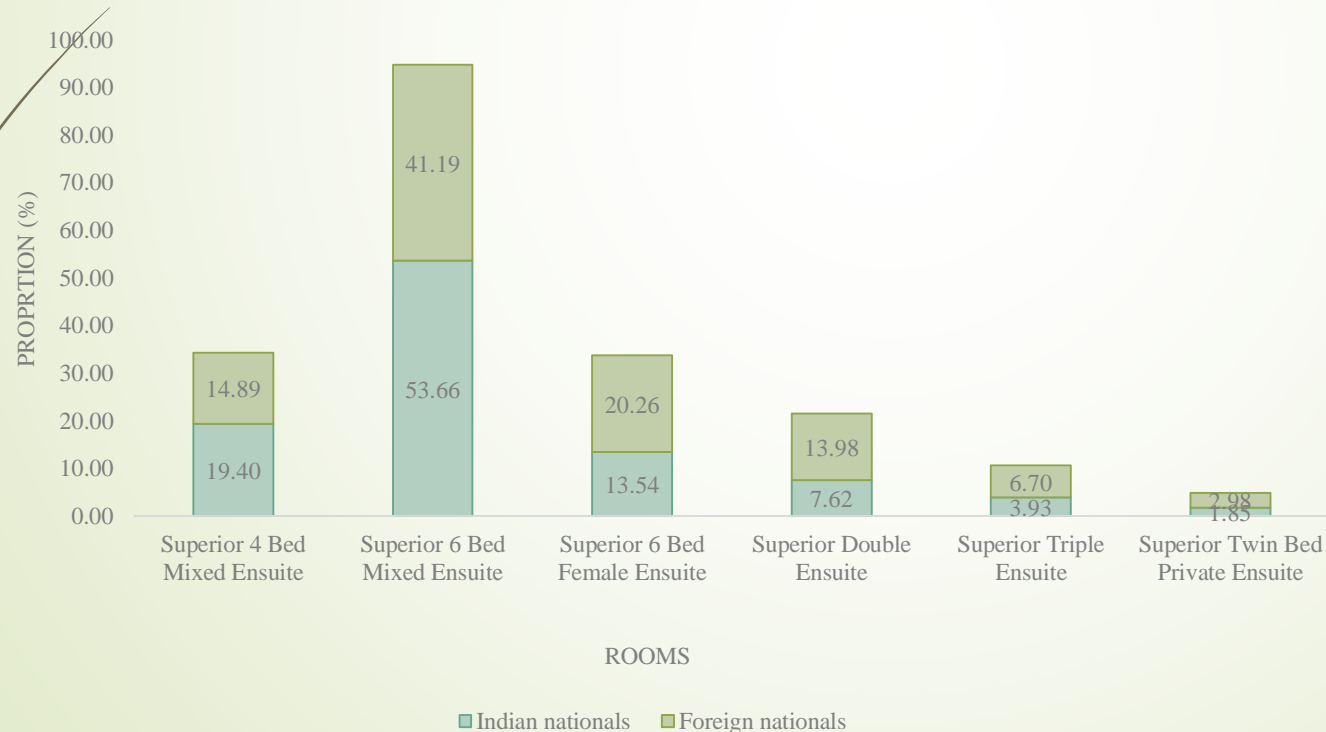- May and October are the months with the highest number of cancellations.

Average lead time of various room types

Room Type	Lead Time (days)
Superior 4 Bed Mixed Ensuite	4.60
Superior 6 Bed Mixed Ensuite	3.62
Superior 6 Bed Female Ensuite	5.36
Superior Double Ensuite	4.87
Superior Triple Ensuite	5.30
Superior Twin Bed Private Ensuite	4.24
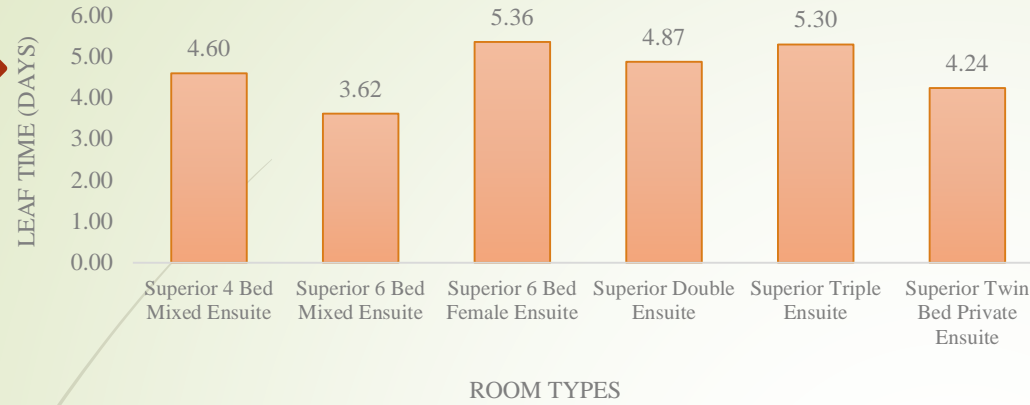
Proportion of room types in total bookings

Room Type	Percentage
Superior 4 Bed Mixed Ensuite	17.44
Superior 6 Bed Mixed Ensuite	48.66
Superior 6 Bed Female Ensuite	13.14
Superior Double Ensuite	7.61
Superior Triple Ensuite	3.88
Superior Twin Bed Private Ensuite	1.82

Proportion of hostel rooms between Indian nationals and Foreign nationals

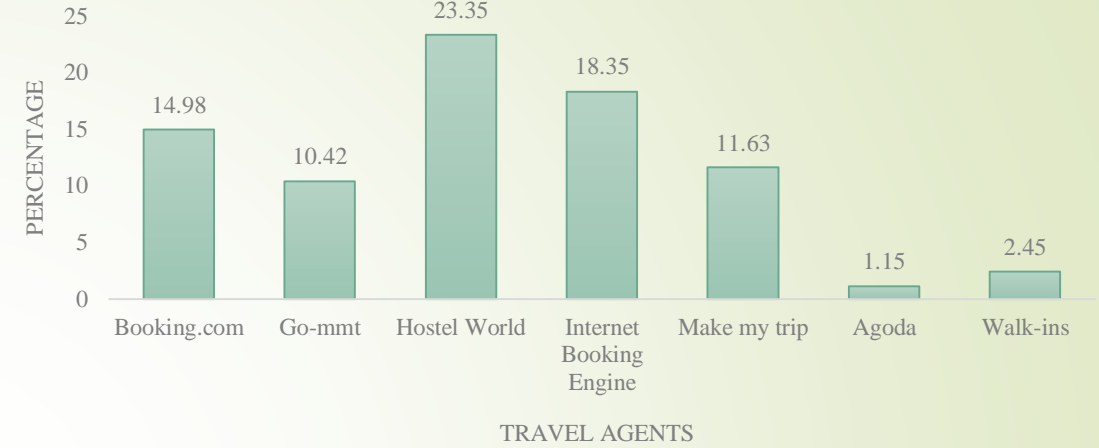| Room	Indian nationals	Foreign nationals
Superior 4 Bed Mixed Ensuite	19.40	14.89
Superior 6 Bed Mixed Ensuite	53.66	41.19
Superior 6 Bed Female Ensuite	13.54	20.26
Superior Double Ensuite	7.62	13.98
Superior Triple Ensuite	3.93	6.70
Superior Twin Bed Private Ensuite	1.85	2.98

- It can be seen from the first chart that Superior 6 Female and Superior Triple Ensuite have the highest lead time among all the rooms

- It can also be seen that Superior 6 Bed Mixed Ensuite has the proportions of bookings despite having the lowest lead time among the rooms.

- It is worth noting that the percentage of Indian nationals is less as compared to the percentage of foreign nationals when to rooms with high lead times.
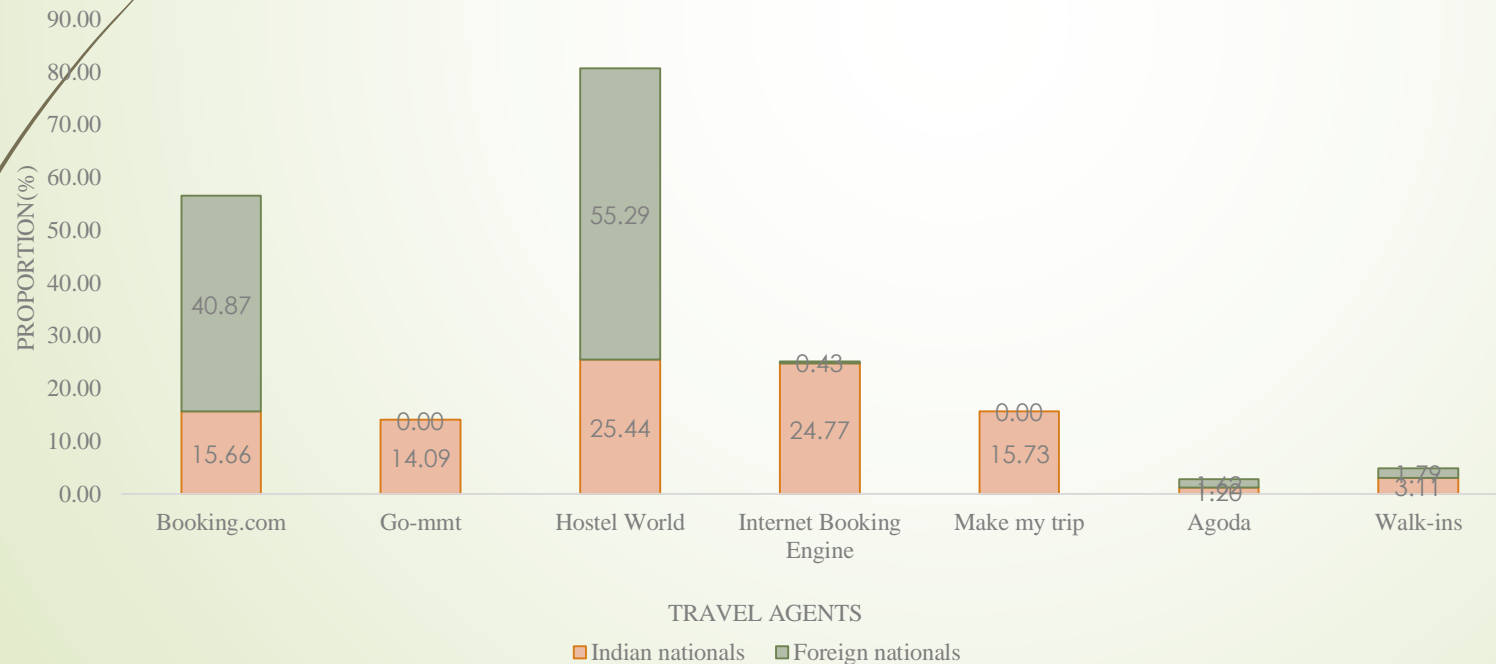
Average Lead time of various travel agents

LEAD TIME (DAYS)

Travel Agent	Lead Time
Agoda	2.80
Booking.com	4.10
Go-mmt	2.68
Hostel world	4.94
Internet booking engine	4.19
Make my trip	4.10
Walk-ins	1.96
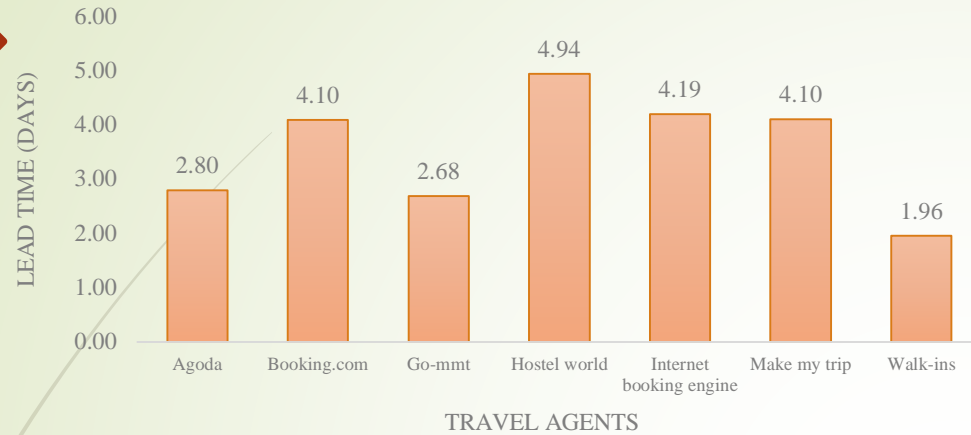
TRAVEL AGENTS

Proportion of bookings from various Travel Agents

PERCENTAGE

Travel Agent	Percentage
Booking.com	14.98
Go-mmt	10.42
Hostel World	23.35
Internet Booking Engine	18.35
Make my trip	11.63
Agoda	1.15
Walk-ins	2.45

TRAVEL AGENTS

Proportion of Travel Agents between Indian nationals and Foreign nationals

PROPORTION(%)

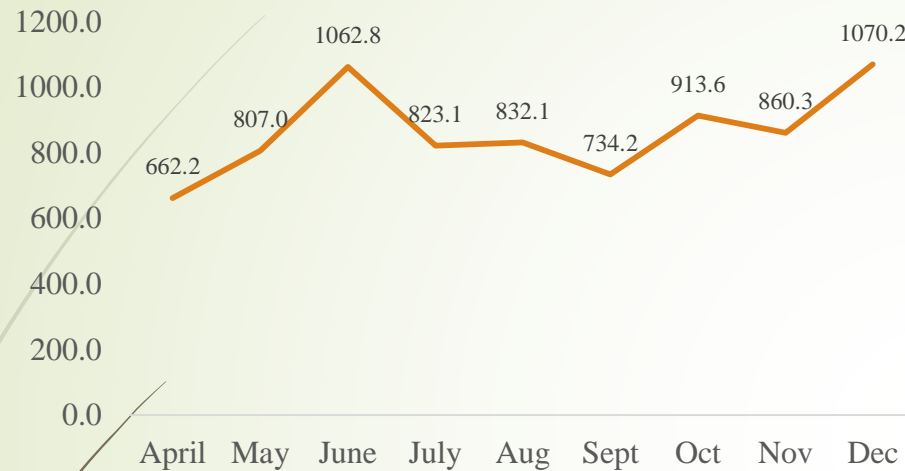| Travel Agents	Indian nationals	Foreign nationals
Booking.com	15.66	40.87
Go-mmt	14.09	0.00
Hostel World	25.44	55.29
Internet Booking Engine	24.77	0.43
Make my trip	15.73	0.00
Agoda	1.20	1.23
Walk-ins	3.11	1.79

TRAVEL AGENTS

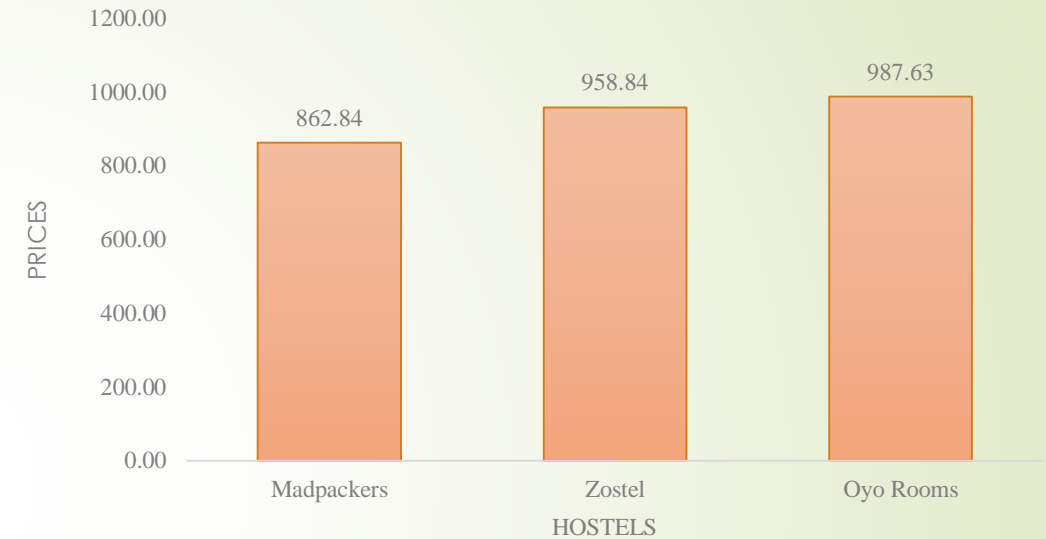■ Indian nationals ■ Foreign nationals

- ➮ Hostel world, Internet Booking Engine and MakeMyTrip and Booking.com have the highest lead time

- ➮ Hostel World and Internet Booking Engine have the highest proportion of bookings.

- ➮ Furthermore, both Hostel World, Booking.com have high lead time and are largely preferred by foreign nationals.

**Disribution of ADR Across Months for Rishikesh hostel**

Month	ADR
April	662.2
May	807.0
June	1062.8
July	823.1
Aug	832.1
Sept	734.2
Oct	913.6
Nov	860.3
Dec	1070.2

Competitive Analysis of Prices of Madpackers

HOSTELS	PRICES
Madpackers	862.84
Zostel	958.84
Oyo Rooms	987.63

- It can be seen that the ADR peaks in the month of June and December while it drops in the month of September.

- From the competitive analysis we can conclude that the prices of Madpackers are lowest from its competitors. There is almost 11-15% difference between the prices of Madpackers and the competitors

Competitve analysis of NPS
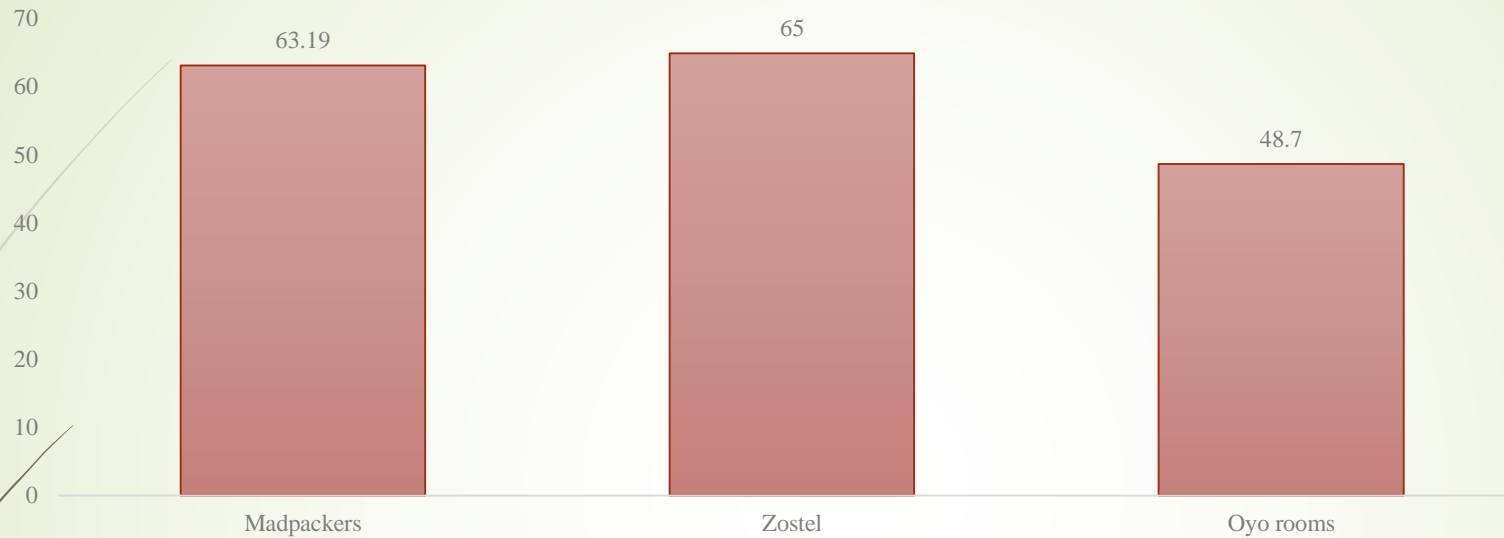
- In the above analysis, it can be seen that the NPS of Madpackers is very close to Zostel which has an NPS of 65 (which is moderately good), while is far above the NPS of Oyo rooms which has an NPS of 48.7(which is considered average). Therefore, we can conclude that Madpackes is doing well concerning the competition

Recommendations

- Madpackers should advertise regarding their female only room as it has high lead time and low proportion in the total bookings.

- Furthermore, Superior 4 Bed Mixed Ensuite, Superior, Superior Double Ensuite and Superior Triple Ensuite should be incentivized as all of them high lead time and low proportions in the total bookings.

- Travel agent such as MakeMyTrip which has a lead time of 4.10 days and only favored by 11% of people. Therefore, Madpackers should launch promotional schemes to boost the popularity of the travel agent.

- Madpackers can increase its prices as seen from the competitive analysis. It will help them to increase their sales revenue

- Madpackers can further improve their NPS by encouraging the customers to leave a feedback. They can automate the procedure by using a software for such.