

Capstone Project (Part 2) - Goibibo

Microstays

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Product Roadmap

For the purpose of the product roadmap, we list below the set of features to be included for enhancing the microstay option and then proceed with defining the MVP. Later, the roadmap includes the priority order given to these features.

1. Listing out the features to be included
 - a. Personalize content based on user's search parameters
 - i. Destination
 - ii. Dates
 - b. Advertise "Microstay" feature in the offer zone
 - c. Show a banner for "book hotels by the hour" with a toggle based on:
 - i. Destination - pilgrimages, rest stops between break journeys
 - ii. Dates - same day check out/1 night stay
 - d. On the listings page (if any of c(i) or c(ii) is eligible), show tappable areas showing 3 hr, 6 hr or 9 hr stays as a banner at the bottom of the screen
 - e. Also, show a red notification dot on filter icon <for users who have never used microstay and/or if c(i) or c(ii) is eligible>
 - f. Once filter is clicked, show "pay by the hour" and "pay for full day" options in the display as the first filter category
 - g. *Real-time integration with the hotel's bookings, so that the guest can view real-time room availability in the hotel.*
 - h. *Real-Time integration with the hotel's room pricing.*
 - i. *Search parameters as per those for regular bookings.*
 - j. *Pay by Cash option at the hotel.*
 - k. *Payment Gateway Integration Pay By Wallet, Net Banking, Credit/Debit Cards, UPI, Google Pay, etc.*
 - l. *Confirmation SMS/Email displaying the address, date/time and booking duration.*
 - m. *Option for Referring contacts through email/SMS.*
 - n. *Option to gather Feedback AFTER the duration of the stay --- Review the Hotel, Amenities, Food, Location, Rating/Ranking for the Hotel.*
 - o. *Option to sort as per various options like Proximity, Availability*
 - p. *Option to mark a search as "Fav"*
 - q. Optional touch points for using micro stay feature:
 - i. When users on Goibibo search for flights/trains/buses to a destination which involves a break journey, show a navigation to listings which let them book hotels per hour during the break journey
 - ii. Most applicable for flights as break journeys are usually common (for cheaper options)

Features for MVP

MVP or the Minimum Viable Product is to be developed, so that we can test the viability of the feature in the market with actual users, and if viable, build our data on which we can analyze the future sub-features to be built. These sub-features would be added on the MVP with each subsequent phase of development. The MVP will either validate/invalidate the hypothesis we have about the “Microstay” feature. MVP is iterated upon via the **Build-Measure-Learn** Framework, wherein we first **Build** the feature/sub-feature, then **Measure** how the feature is received by the users, and finally, we **Learn** whether to persevere or pivot.

The hypothesis for “Microstay” that would be validated/invalidated is “People are ready to book room(s) for a duration of less than a day, which would also be beneficial to the Hotels”

The feature “Microstay” can be developed in phases, with prioritization as mentioned below:

- Priority 1 or Phase 1:
 - These are the “bare basics” or “absolutely essential” features to be built. Without these features, “Microstay” can’t be used, and these have to be included in the MVP
- Priority 2 or Phase 2:
 - These are the features which provide much more functionality than Priority 1, and add value to the MVP
- Priority 3 or Phase 3:
 - These are the features that increase the Usability/UX of the “Microstay” feature
- Priority 4 or Phase 4:
 - These are the features that shape up the final product, like increasing the UX much more, increasing the number of participating hotels, referrals, etc as we have a lot of data to make decisions on.
- Priority of features:
 - 1.A: This would be 4th Priority, as personalization can come at the time of full-fledged launch of the product, and is not a necessary feature for MVP.
 - 1.B, 1.C, 1.D, 1.E and 1.F: This would be 1st priority, as this would help to gauge the market for “Microstay” and would be included in the MVP
 - 1.G: This could be developed in phases, with some features in each priority
 - 1st Priority: Manually enter the room availability for some participating hotels every, let’s say, 2 hours. This would be included in the MVP

- 2nd Priority: Integrate this with the hotel's website to get the room availability and display it, so that manual intervention is not needed.
- 3rd Priority: Expand this to all the participating hotels.
- 4th Priority: Include the newly participating hotels.
- 1.H: Same as 1G above
- 1.I: This would be 1st Priority, as the search parameters already exist for Regular Booking, we just have to display an icon showing Pay-By-Hour availability for the searched hotel. This could be included in MVP.
- 1.J: This is 1st Priority, as the option to pay by cash is necessary for any business. This could be included in MVP.
- 1.K: This would be 2nd Priority, and can be developed in phases, with each phase adding on another option to pay online, similar to 1.G and 1.H above.
- 1.L: This would be 1st Priority, as the guest should be notified about the booking success/failure. This could be included in MVP.
- 1.M: This would be 3rd Priority, as once we have enough data, we could ask for referrals.
- 1.N: This would be 2nd Priority, as the feedback would show us which participating hotels to focus on.
- 1.O: This could be 3rd Priority.
- 1.P: This could be the 4th Priority
- 1.Q: This could be the 2nd Priority

2. Assumptions

- a. A sizeable number of hotel owners would accept a "pay by the hour" pricing system
- b. People are willing to book a hotel by the "Pay-By-The-Hour" option, instead of booking for a full day.
- c. People who book by "Microstay" feature end up saving a considerable amount as compared to booking for a full day.
- d. Participating hotels do not end up facing loss due to the "Microstay" feature.
- e. The amenities provided by the hotels are the same for the "Microstay" feature as well as their "Regular" feature.
- f. Grace period of +/-10 minutes for checkout/ check in would be given to the guests.
- g. Hotels near pilgrimage attractions would participate.
- h. People who travel on Vacation do NOT use the "Microstay" feature, as they would look for "Regular" bookings.
- i. The time-interval provided (3-6, 6-9, 9-12, etc) is sufficient for the guests.

3. Riskiest Assumptions

- a. Of the nine assumptions in point (2) above, the 1st riskiest assumption would be point 2.C, as if the guests do NOT save a considerable amount, they would NOT prefer the MicroStay Option.
- b. Point 2.D above would be the 2nd Riskiest Assumption, as hotels won't participate if "Microstay" doesn't give them enough business.
- c. Point 2.A above would not be a risky assumption, as more and more hotels would participate when the "Microstay" feature is accepted among the guests.
- d. Point 2.B above would not be a risky assumption, as we are building the "Microstay" feature because we know that 2.B will be true.
- e. Point 2.E is not a risky assumption, since guests booking for "Microstay" would already know the amenities the hotel provides.
- f. Point 2.F could always be negotiated, and this is not a risky assumption.
- g. Point 2.G is also not a risky assumption, since even hotels far off from pilgrimage attractions could also participate. However, we could use 2.G for building an MVP
- h. Point 2.H is not a risky assumption, as people who travel on Vacation, if required, can always choose the "Microstay" option.
- i. Point 2.I could always be negotiated, and is thus not a risky assumption.

4. Roadmap for the features to be included

[illegible]

Product Analytics (Metrics Identification)

A brief on AARRR framework is discussed and is applied to identify metrics to be tracked for *microstay* option.

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Context

The scope of the project is to enhance the *microstay* feature on Goibibo. This document highlights the key metrics that should be tracked to measure the performance of the feature.

We shall use the AARRR framework to identify and classify metrics for this feature.

Acquisition

The metrics that come under this category basically answer the following questions:

Where are the users coming from?

Which channel is driving most of the traffic?

Which channel results in the best conversion to a customer?

What channel has the lowest CAC?

Activation

How good is the user's customer's first experience in using the product?

Activation is about the first experience that the customer has with your product. It is not enough to get people to download the app and/or even sign up, if they are going to stop using the app right after.

First-time users have to realize the real value in your product, as quickly as possible so that he/she keeps coming back.

Retention

How many users is the product retaining? What causes the others to leave or stop using the product?

Retention is a very important parameter that suggests how often a user is coming back to use the product and how often is he/she contributing to the revenue of your product. It is measured in different terms for different businesses, e.g.

- Ecommerce - In terms of repeat purchases
- SAAS - In terms of repeat subscriptions
- Instagram App - In terms of repeat views , number of followers, etc.
- Twitter App - Number of tweets/retweets, followers, shares, etc.

The exact opposite of the retention metric is the churn-rate.

In general,

Customer Acquisition Rate > Customer Churn Rate = Growth

Customer Churn Rate > Customer Acquisition Rate = Burning a lot of money

Referral

How can you turn your customers into your advocates?

This measures the scope of customers giving publicity for the product they are using - via word-of-mouth, social media shares etc. To drive referrals, a systematic process has to be in place that incentivizes and generates them on a consistent basis. For example, Dropbox figured that out early on and their referral program was one of the main drivers of their growth.

Net Promoter Score (NPS), an index that ranges from -100 to 100 and measures how willing customers are to recommend the product. It is a measure of how satisfied and loyal customers are to the brand.

Viral Coefficient is the number of users a customer refers to. A viral coefficient of 2 would mean that one customer on average refers two new customers to you.

Revenue

How does revenue increase?

If the four AARR metrics are optimised, revenue should already be flowing in nicely. The basic logic of increasing revenue involves increasing **Customer Lifetime Value (CLV)** and decreasing **Customer Acquisition Cost (CAC)**. Customer lifetime value (CLV) is the amount of revenue a product earns from a customer during their lifetime. The customer acquisition cost (CAC) is the amount of money you spend on acquiring your customer. That includes cost for marketing, sales, meetings, fancy dinners or whatever it takes to get customers to convert. A good ratio of CLV to CAC for growth is 3:1.

Acquisition Metrics for Microstays - Goibibo

- 1) Geographic parameters of people opting for Micro Stays - This parameter is mainly tracked for demographics related aspects in order to gauge marketing strategy for specific locations.
- 2) Number Opting Micro Stays v/s Normal Stays - This parameter can be tracked by
 - Successful bookings under micro stays v/s Normal Stay bookings.
 - Also at user levels - total number of micro stays booked by a loyal Goibibo User after the introduction of Micro Stay feature .

- This metric can be tracked and consolidated using Google Analytics /MixPanel tools.
- 3) Number of customer inflows to Normal v/s Micro Stays bifurcated channel wise at Week / month wise - Metric tracked by using Google Analytics api integration with the app.
- 4) The purpose of booking on Microstay -- Leisure/ Business/ Pilgrimage, so that the feature can target the right group

Activation Metrics :

- 1) Number of paid users - Number of people who actually booked micro stays - Can be tracked using google analytics at user level / account level.
- 2) Number of users who browsed through the micro stay page- Can be tracked using google analytics who are browsing the micro stay page - This metric can be further bifurcated at page level , user level and successful transaction levels.
- 3) Avg. Session duration on Micro Stay page.

Retention Metrics :

- 1) Number of people who are viewing the Micro Stay page repetitively.- This metrics is a repetitive count bifurcated at user account level who are visiting micro stay page continuously.
- 2) Bounce rate at page level during micro stay booking process - Tracked at page level.
- 3) Time Box selection during micro stay booking process - this enables us to tweak the product with relevant popular time frames during the time selection process of micro stay booking.
- 4) Number of users converting at each step -> Searching □ Applying Filter and sorting the results □ Choosing □ Reviewing the order □ Payment Confirmation.
- 5) Churn Rate at each stage - Calculated at page level using google analytics / mix panel.
- 6) Customer Acquisition rate
- 7) Customer Churn Rate at Overall Levels.

Referral Metrics :

- 1) Viral Co Efficient - Number of users who are referring your product(Micro Stay) to others distributed at channel wise promotions carried out by users and the referrals being grouped at USER levels.
- 2) NPS - Net Promoter Score .

Revenue Metrics :

- 1) Customer Acquisition Cost - CAC - Amount incurred by the company to acquire one customer.
 - The total cost incurred to onboard a paying customer onto a platform.
 - It includes all the different types of costs like marketing , development , R & D and others.
- 2) Customer Lifetime Value - Amount of Revenue generated at user level by company grouped at User level.
 - CLV is the total worth of a customer to a business over the whole period of relationship.
 - It's a very important metric as it costs less to keep existing customers rather than acquiring new customers.
 - Knowing the CLV helps the businesses to develop strategies to acquire new customers and retain the existing ones.
 - CLV can be measured in the following way:
 1. Identify the touchpoints where the customer creates the value
 2. Integrate records to create the customer journey
 3. Measure revenue at each touchpoint
 4. Add together over the lifetime of that customer
 - At its simplest, the formula for measuring CLV is the difference between total revenue generated by a customer and the costs of acquiring and serving a new customer.
- 3) Revenues grouped by channel source
 - Sort the paid users based on the source by which they were onboarded.
 - Calculate the value / estimated value of business done on a platform at user level.
 - Sort the users based on the channel by which they were onboarded onto a platform.
 - These are the two parameters which are required to calculate the above mentioned metric and this involves the data obtained from Google Analytics / Mix panel platforms along with some manual / automated calculations.
- 4) Average order value
 - $\text{Total order value contributed to a platform by a user} / \text{Total number of orders placed on a platform by the user.}$
- 5) CPC defined at Channel Level - Cost per click incurred to the company by for clicking an ad in a particular channel - This is calculated
This metric is compared with revenues generated channel wise.
- 6) Feedbacks and ratings from different sources.

How will the collected data be analyzed?

1. Set up Google Analytics (GA) properties on the various parts/pages of Microstay feature
2. Collect this data and segment it by
 - a. Location
 - b. Age
 - c. Gender
 - d. Purpose of booking
 - e. Session Duration
 - f. Bounce Rate
 - g. Repeat Customers
 - h. Duration for which the room is booked
3. Form Cohorts as per the season/festive periods
4. Create a Funnel and see where the drop-off rate is/are high to enhance the feature accordingly
5. Use GA and CleverTap to analyze the data.

Product Requirement Document (PRD)

This is the PRD section of the microstay feature

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Introduction

Goibibo is India's leading online travel booking brand providing a range of choice for hotels, flights, trains, bus and cars for travelers. The core value differentiator is the most trusted user experience, be it in terms of quickest search and booking, fastest payments, settlement or refund processes. Through GoStays, customers enjoy standardised stay experience at certified hotel properties. Now, with *Microstays*, we wish to further the customer experience by offering hotel bookings for smaller stays. This feature is intended to all those customers who wish to take an accommodation for a brief period during the day and not end up paying up for the whole day instead.

Goals

- Enhance the consumption of the *microstay* feature
- Increase the discoverability of the *microstay* feature
- Improve the overall usability of the *microstay* feature

Background

Most hotel accommodations charge customers for the entire day even if they intend or stay only for a few hours. The *microstay* option was implemented by Goibibo to help their users avail accommodation for their short stays at cheaper prices and the hotel management expand their customer base and thereby get more bookings. However, this feature did not see its usage as expected. With an aim to improve the usability of the feature, a [user survey](#) was done which suggested that:

- Travelers would prefer paying for the time they spend in a hotel rather than paying an entire day's booking
- Most users on Goibibo are not aware of the *microstay* feature
- Travelers would book *microstays* if this feature is made easily discoverable

Based on the inferences from the user survey, the above-mentioned goals were decided for this project.

Assumptions

The following are the assumptions, valid for the scope of this project:

1. A sizeable number of hotel owners would accept a “pay by the hour” pricing system
2. People would choose to pay for accommodation on an hourly basis for short stays
3. People who book *microstays* end up saving a considerable amount as compared to a regular booking
4. Hotel chains offering microstays can expand their user base, thereby can see more bookings and better profits
5. The amenities provided by the hotels are the same for both *microstays* and regular bookings
6. 3, 6 and 9 hour time slots are comfortable for travellers to opt for and for the hotel management to operate for multiple bookings on the same day.

Amongst the above mentioned assumptions, the **riskiest** one is #1, i.e., *a sizeable number of hotel owners would accept a “pay by the hour” pricing system*. If this assumption is not true, that would be a huge blow to the feature and hence should be validated deeply.

List of Features/To-Dos

[\[Link to prototype\]](#)

Listed below are the list of to-do items to enhance the *microstay* option:

1. Personalize content based on user’s search parameters
 - a. Destination
 - b. Dates
2. Advertise “Microstay” feature in the offer zone
3. Show a banner for “book hotels by the hour” with a toggle based on:
 - a. Destination - pilgrimages, rest stops between break journeys
 - b. Dates - same day check out/1 night stay
4. On the listings page (if any of 3(a) or 3(b) is eligible), show tappable areas showing 3 hr, 6 hr or 9 hr stays as a banner at the bottom of the screen
5. Also, show a red notification dot on filter icon <for users who have never used microstay and/or if 3(a) or 3(b) is eligible>
6. Once filter is clicked, show “pay by the hour” and “pay for full day” options in the display as the first filter category
7. Real-time integration with hotels booking software to include details of multiple check-in and out on the same day by different guests
8. Optional touch points for using micro stay feature:
 - a. When users on Goibibo search for flights/trains/buses to a destination which involves a break journey, show a navigation to listings which let them book hotels per hour during the break journey

- b. Most applicable for flights as break journeys are usually common (for cheaper options)

MVP for microstay

[Phase I] For the MVP, the following features are to be included, along with those that are of 1st priority (See the Product Road Map section)

- Advertise microstay feature on in the “Offer Zone”
- Show “Hourly rentals” ribbon on hotels that offer “microstays”
 - Show tappable 3 hr, 6 hr and 9 hr stays buttons once a hotel with “Hourly rentals” ribbon is clicked

User Stories and Acceptance Criteria

1. As a user, I want to access a button/selection option to select the *microstay* option.
 - a. UAC:
 - i. Availability of button with label “Microstay” and highlighted as new should be available on the home screen.
 - ii. The button should be clickable and should navigate the user to the *microstay* home page.
2. As a user, I want to have the flexibility to choose if I want to pay by the hour or not.
 - a. UAC:
 - i. The search pane available on the home page should have a toggle switch with a label “Pay by the Hour”.
 - ii. The toggle switch should be functional and executable in nature.
 - iii. On selecting pay by the hour feature and upon keying in the mandatory details for search the relevant details must be populated.
 - iv. If the toggle switch is turned off, the search results should show the accommodations as per the general search criteria with relevant filters applied.
3. As a user, I want the application to automatically understand my stay pattern based on my inputs during my search.
 - a. UAC:
 - i. The user keys in check in and check out date - if the dates are same or just a days’ difference is observed, the pay by the hour prompt appears on the screen to help the user to explore the newly available feature in the product.

4. As a user, I should have an option to select tappable time box filters to access pay by the hour feature.
 - a. UAC:
 - i. On the home screen, the user should be able to visualise the tappable time frame boxes without much hassle.
 - ii. Upon selecting a particular time frame, check-in date and the location, the search results should display the accommodation availability as per the relevance.
5. As a user, the filter section available on the home page must provide me with an option on how I choose to stay / how I pay to stay at a particular location / destination.

KPIs

- a) % users who start a booking process and end up booking microstays
- b) Ratings for Microstay feature
- c) Number of repeat users for Microstay