PROJECT REPORT

TOPIC: Holiday Home Exchange

Lean Startup Management (MGT1022)

BY Group-7

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Abstract

A shift in consumer behaviour does affect the traditional tourism industry the evolving sharing economy promotes collaborative or peer-to-peer consumption, which unfolds itself in new services facilitating accommodation sharing and hospitality exchanges. Embracing the idea of interchanging accommodation without a monetary exchange, house swapping developed into a successful global tourism phenomenon that seems to embody some of the core principles of the concept of conscious travel – a notion and movement that takes an utmost interest in the impact of the tourism activity on the destination and consequently promotes considerate consumption. The present study explores and analyses house swapping as a facilitator or even small-scale realization of this alternative form of travel, with the aim of contributing to both knowledge and practice of alternatives to the conventional (mass) tourism system. Building on consumption and consumer behaviour theory and its application within a tourism context, the conceptual interest of the study revolves around three realms: the emergence of a conscious consumer and a new tourist consumption determinants and approaches to frame alternative (tourism) consumption. Focussing in its promotion on intriguing travel experiences, house swapping was also found to constitute a successful approach of embracing and representing conscious travel practices as a hedonistic alternative. In terms of knowledge, the findings contribute to a better understanding of the house swap phenomenon by illustrating how it frames the tourist consumption.

Acknowledgement

First and foremost, we would like to take this opportunity to thank our lecturer Prof. Gangatharan C. sir for his guidance and advice on this project. At the same time, we also won't forget our group participants and also friends as well because they helped us complete the project successfully.

Thank You.

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1. Introduction

If a person doesn't have enough money for paying his accommodation charges for his trip, he can look in Holiday Home Exchange for people who are interested to visit his city so that they can exchange their houses. It helps a person to reduce their expenditure on the trip and have a comfortable stay. In case if a person stays in a villa and wishes to swap, then the filter will be applied to show houses that falls in the same category. If the villa owner gets an apartment in exchange, a compensation shall be paid by the apartment owner.

2. Problem Statement

This is an online platform where a person can look up for houses in different cities or countries instead of hotels for vacations. Building on consumption and consumer behaviour theory and its application within a tourism context, the conceptual interest of the study revolves around three realms: the emergence of a conscious consumer and a new tourist consumption determinants and approaches to frame alternative (tourism) consumption. Focussing in its promotion on intriguing travel experiences, house swapping was also found to constitute a successful approach of embracing and representing conscious travel practices as a hedonistic alternative. In terms of knowledge, the findings contribute to a better understanding of the house swap phenomenon by illustrating how it frames the tourist consumption.

3. Background

Home Exchange is quite upcoming because of certain benefits.

- It is low cost. The only cost associated with house swapping is the membership fee for the online listing service.
- You get to live like a local
- You're also more likely to get a better sense of the area's culture because you're in a neighbourhood rather than a hotel.
- If you have a 2nd home, it can be utilized for this ○ Home exchange is especially easy if you have a vacation home.
- Exchange system is not just limited to homes; you may stay on yachts as well.
- People swap homes to stay in someone's yacht, or even their RV so they can tour an area.

4. Entrepreneurs are Everywhere

- Holiday Home Exchange understands this fully, and strives to be the best in the home exchange business.
- We are an ambitious company and hope to make Holiday Home Exchange a globally recognizable brand, and shape the travel industry in a way that has never been seen before.
- We strive to deliver the best home exchange experience to our customers. None of our founders have the need for formal education, and neither do our clients.
- Anyone can be part of the Holiday Home Exchange ecosystem. The only thing that is needed is a passion for travelling and a desire to save money.
- We are a young business and hope to change the home exchange market with our innovation in the space.
- We understand our challenges, and are very observant of the market, and implement the lean methodology of always collecting feedback.

5. Entrepreneurship is Management

- Holiday Home Exchange system understands that a part of entrepreneurship is management. Many components of our business plan involve impeccable management skills.
- Since Holiday Home Exchange system includes different Budget plan for different Locations. There are dedicated management warehouse to plan and facilitate them.
- All of our operations, all the way from the logistics involved in cleaning the home after an exchange, to making sure that the transactions between two members of our ecosystem occur smoothly demonstrate our exceptional ability to manage, along with our capacity to innovate.
- We take the management side of our business very seriously, both on the front end and on the back end. Front end management involves all activities involved with our clients (payment processing, comfortable experience) and backend management activities are within the organisation (finance, logistics).

6. Our Vision

In 2005 Steve Blank introduced the concept of customer development in his book The Four Steps to the Epiphany. It is based on actions he saw several start-ups take to launch product.

In 2011 Customer development sees a much broader audience when Eric Ries describes it as a key piece of Lean Start-up (in conjunction with agile software development) in his book The Lean Start-up. And that's how you revolutionize with respect to LSM.

Same goes for Holiday Home Exchange where we are currently in the initial version of our first release. This idea was inspired from majorly Travellers and Hikers. Currently this system works on region-based locations. In the future releases this system can be expected to move from locality and broaden the usage over countrywide and further with the advancement of Lean Start Up ideas and more users of Holiday Home Exchange application, it might even be launched globally.

Estimated Map of Holiday Home Exchange Users:(Split in decade wise basis) 2020: Genesis of Holiday Home Exchange (Across Region Wide users)

2020-2045: Increase in the number of Holiday Home Exchange users across country

2045-2060: Global Holiday Home Exchange Users travel from different Holiday Locations across Continents.

7. Deliverables

A deliverable is an element of output within the scope of a single project. Deliverables can be items that are supposed to be sent externally to a customer or just to an internal manager. Simply put, it is a tangible action item within a project. In our project "HOLIDAY HOME EXCHANGE" the list of deliverables are : Booking the home of choice, Duration of stay, dispatching, exchange of home.

8. Validated Learning

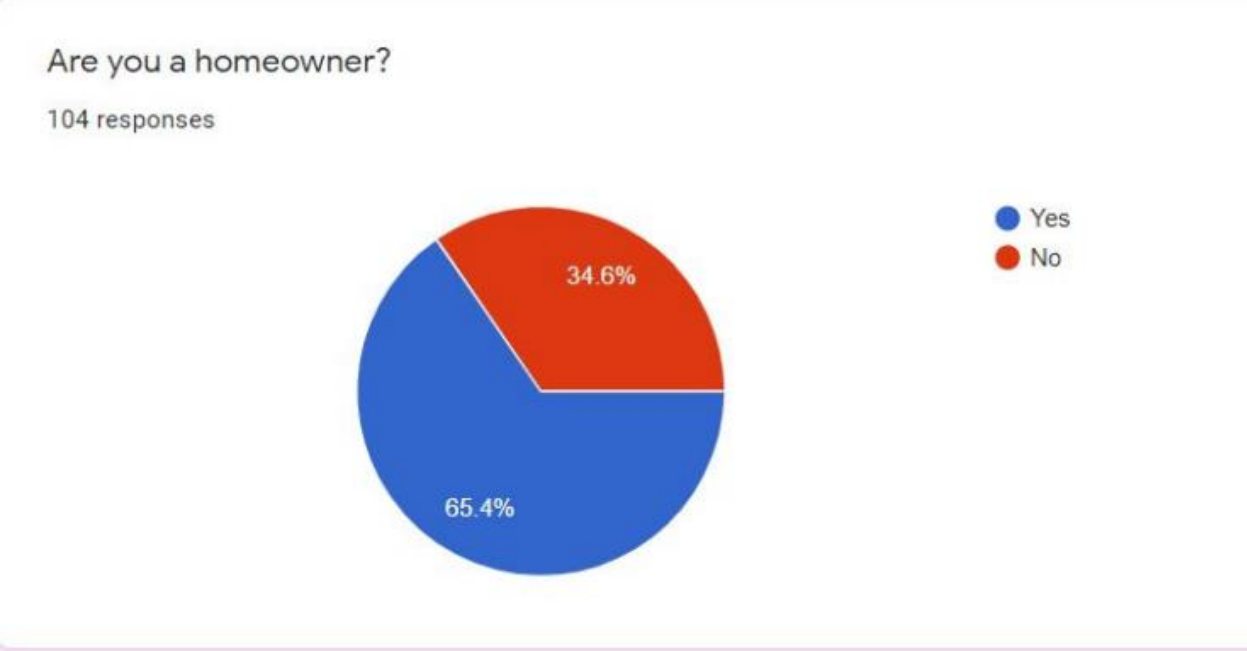
It is a method to demonstrate progress in the face of uncertainty. So right now we have an idea for Home Exchange, and next we will build the product i.e. the website. So firstly we will conduct surveys and studies to get customer feedback. We will then learn from this data and make the necessary changes in our product. The website might fail at first but validated learning says that failures are a good thing as they allow you learn and work on the mistakes. Some challenges we might face and need to learn from maybe:

- Strangers Living in Each Other's Homes
- Potential Damage to Property
- Time investment

The inventor of the lean start-up approach, Eric Ries, has described validated learning as, "the unit of progress for lean start-ups." It is a method to demonstrate progress in the face of uncertainty. Validated learning is quantifiable, based on data such as revenue, user engagement, and feedback. The benefits include :

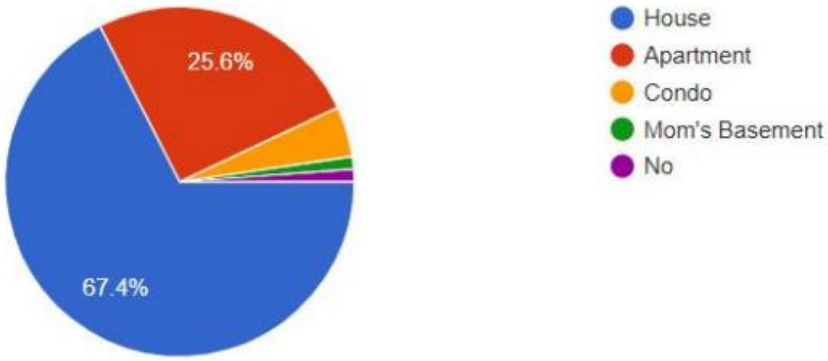
- Faster development
- Actionable metrics
- Reduced costs
- More agile

8.1 Questionnaire



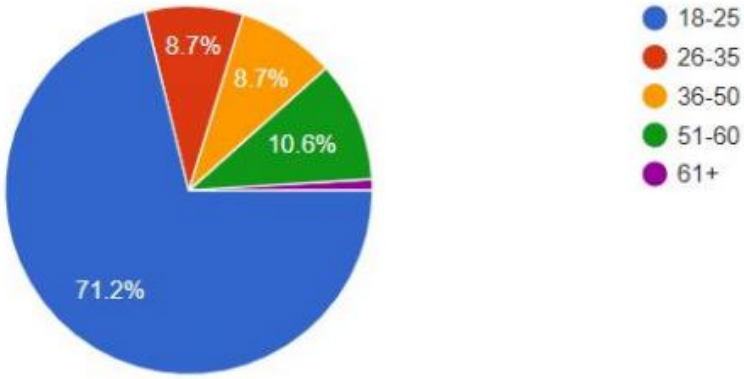
If yes, do you live in a:

86 responses



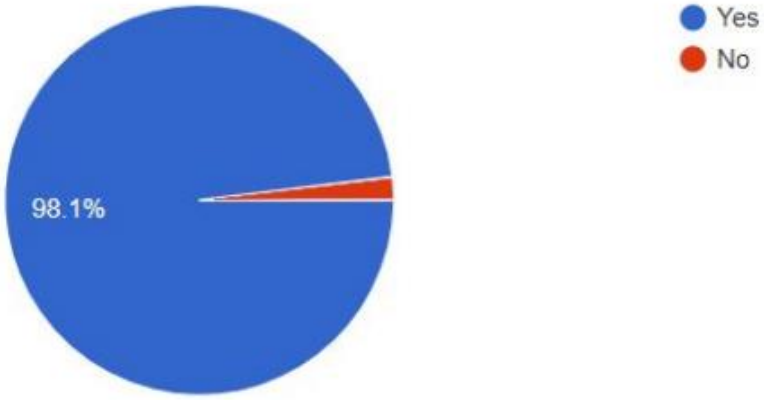
What age group are you in?

104 responses



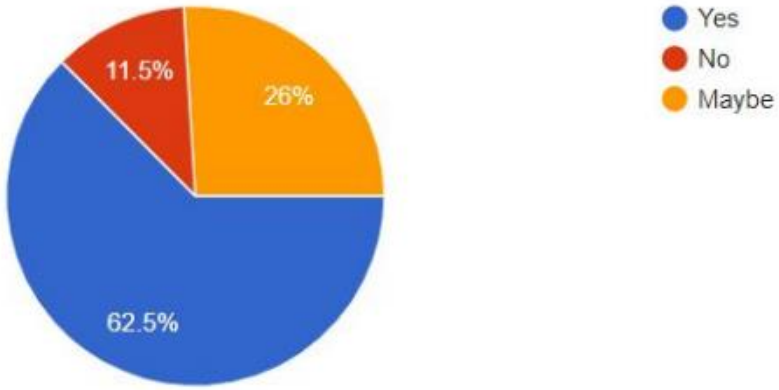
Do you have access to the Internet?

104 responses



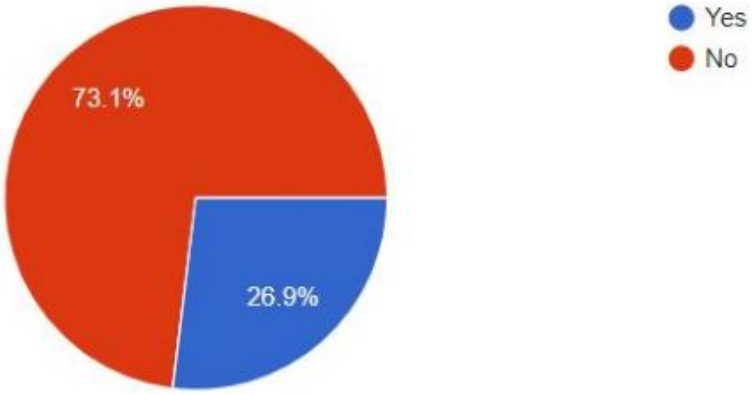
Are you comfortable communicating and conducting business online?

104 responses



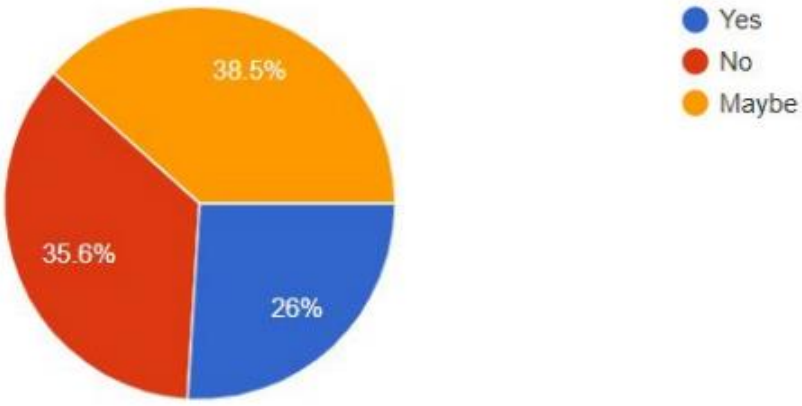
Have you ever heard of home exchange?

104 responses



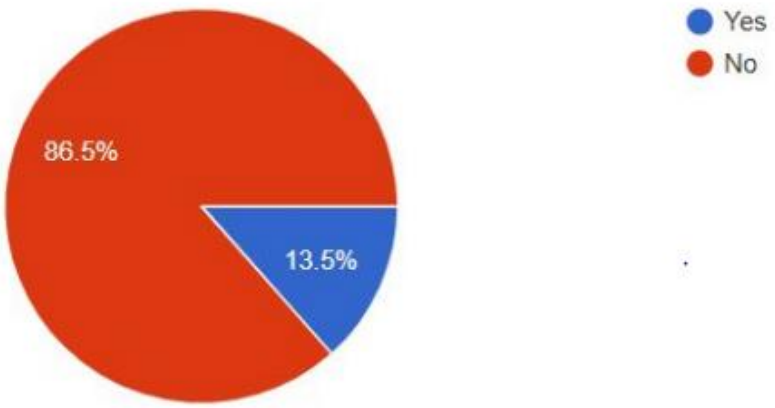
Would you be inclined to try home exchange?

104 responses



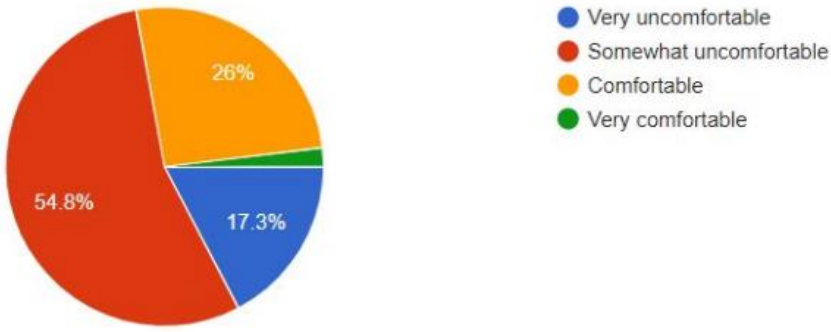
Do you know anyone who has participated in a home exchange?

104 responses



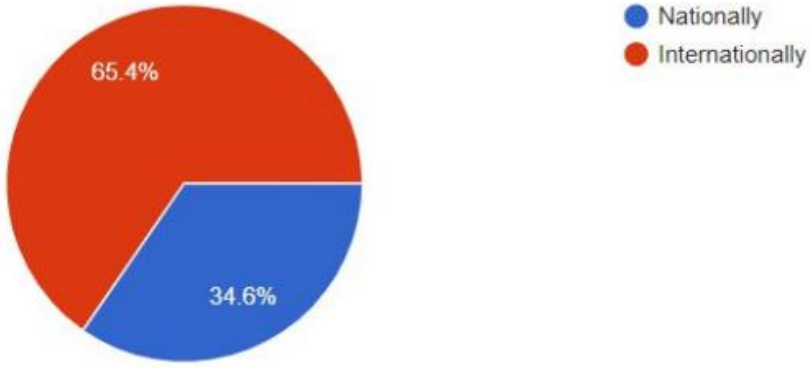
How comfortable would you be with a temporary home exchange?

104 responses



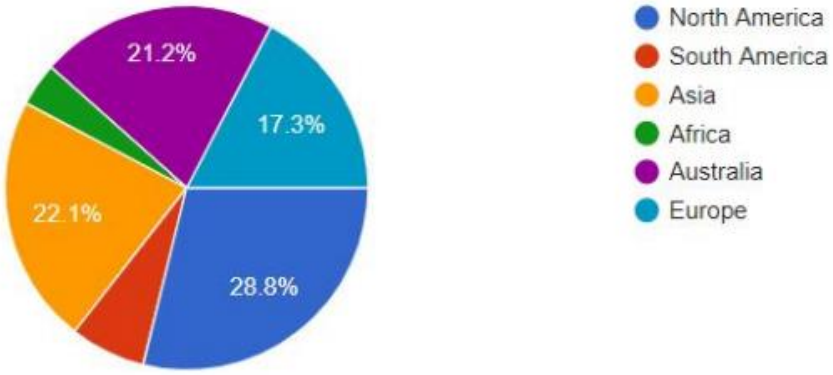
On a vacation, do you prefer to travel:

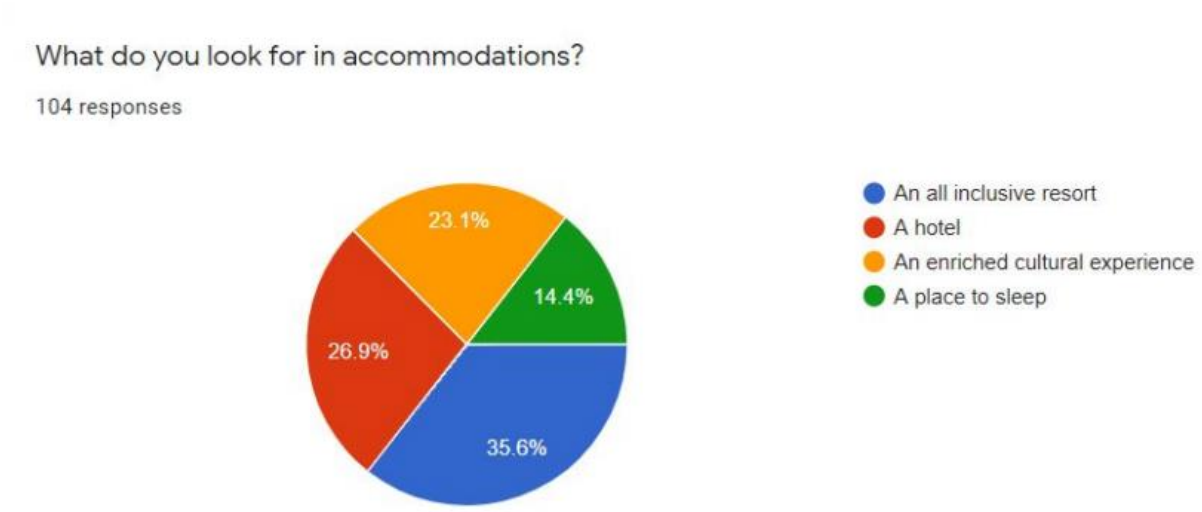
104 responses



What continent would you most be interested in home exchanging to?

104 responses





8.2 Questionnaire Data Analysis

Q.1. Are you a homeowner?
Yes - **68** No - **36**

Q.2. If yes, do you live in a:
House - **58** Apartment - **22** Condo - **4** Other - **2**

Q.3. What age group are you in?
18-25 - **74** 26-35 - **9** 36-50 - **9** 51-60 - **11** 61+ - **1**

Q.4. Do you have access to the Internet?
Yes - **102** No - **2**

Q.5. Are you comfortable communicating and conducting business online?
Yes - **65** No - **12** Maybe - **27**

Q.6. Have you ever heard of home exchange?
Yes - **76** No - **28**

Q.7. Would you be inclined to try home exchange?
Yes - **27** No - **37** Maybe - **40**

Q.8. Do you know anyone who has participated in a home exchange?
Yes - **14** No - **90**

Q.9. How comfortable would you be with a temporary home exchange?
Very Uncomfortable - **18** Somewhat Uncomfortable - **57** Comfortable - **27** Very Comfortable - **2**

Q.10. What continent would you most be interested in home exchanging to?
North America - **30** South America - **7** Asia - **23** Africa - **4** Australia - **22** Europe - **18**

Q.11. On a vacation, do you prefer to travel:
Nationally - **36** Internationally - **68**

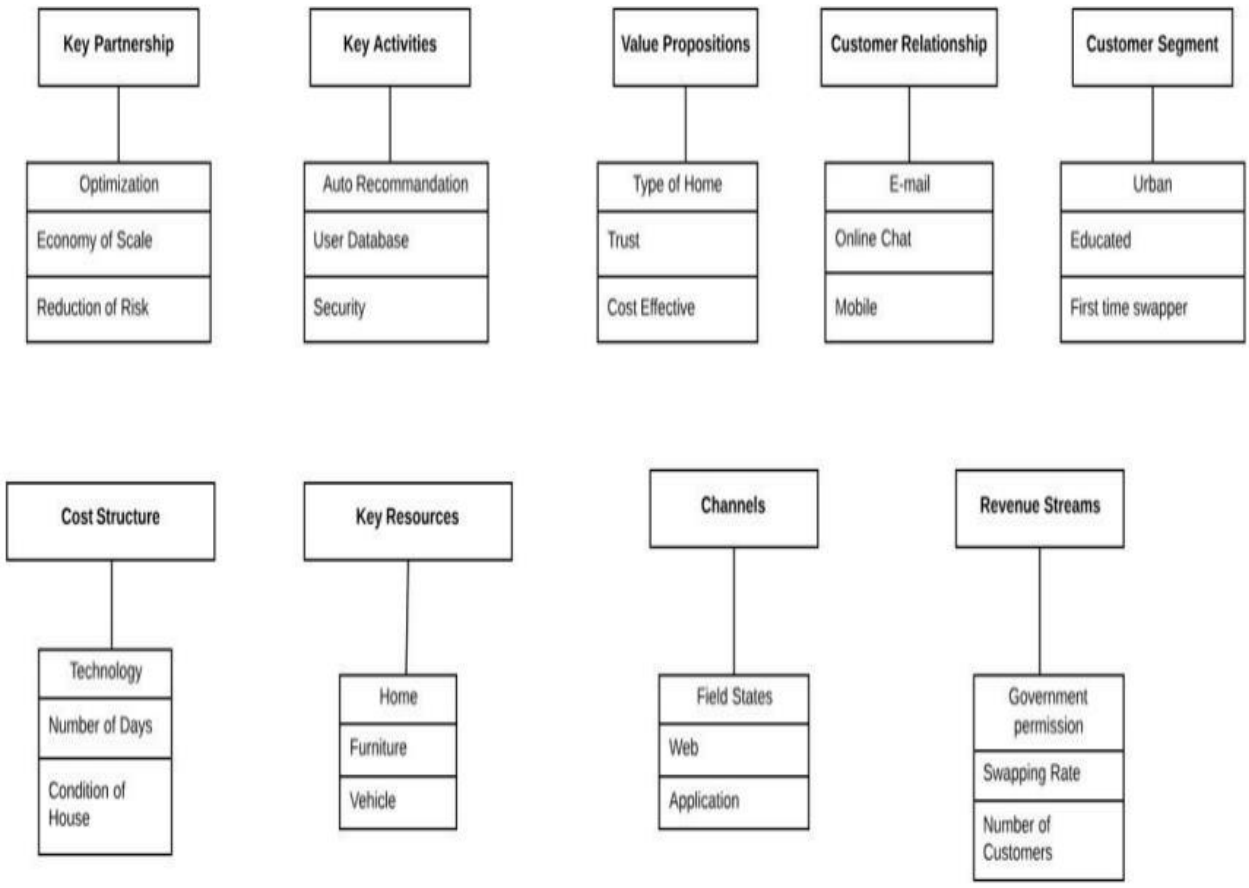
Q.12. What do you look for in accommodations?
An all inclusive resort - **37** A hotel - **28** An enriched cultural experience - **24** A place to sleep - **15**

8.3 Key Inferences Provided by Data

- Majority of our reach is from the younger demographic (~80 percent of our engagement is from people below 35 years of age), and mostly live in either homes or apartments.
- Most of our market has not been exposed to this type of product before, and many seem to be wary of our product.
- From a business standpoint, this means that we need to strategically market our product and address some of the concerns that people have (mainly about stigma). Since there is a general aversion towards our product, we need to be very careful about the quality of service we provide.
- Best course of action would be to get a few young influencers to appeal to the younger demographic and try it in large market cities and influential tourist destinations (NYC, LA, London). The people in the age group have less means to travel but many of them would want to go to expensive locations. We feel that the best course of action is to create a scenario in which we as an organisation can benefit from these young travellers. “It is cheap to go to your favourite destinations by using Holiday Home Exchange.
- “Your favourite influencers are travelling using our platform so why don’t you?”

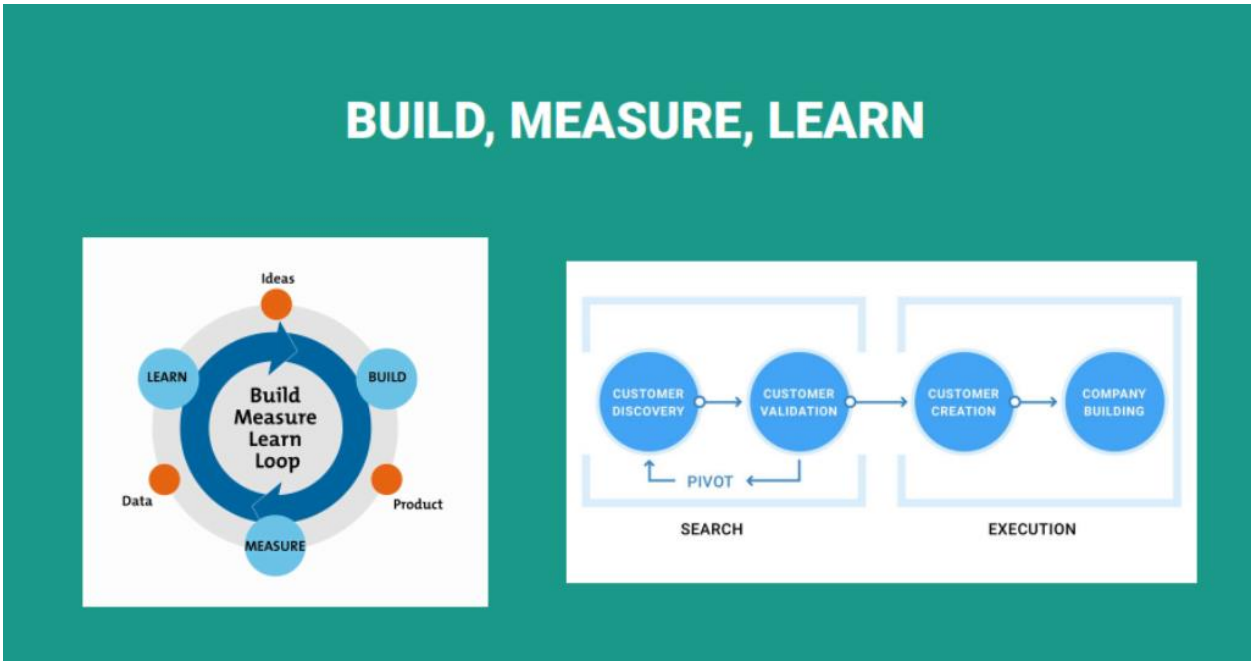
- Extensive use of social media marketing, as most of our responders (~98%) indicated that they have access to a steady internet connection, and are willing to make money online.

8.4 Business Canvas Model

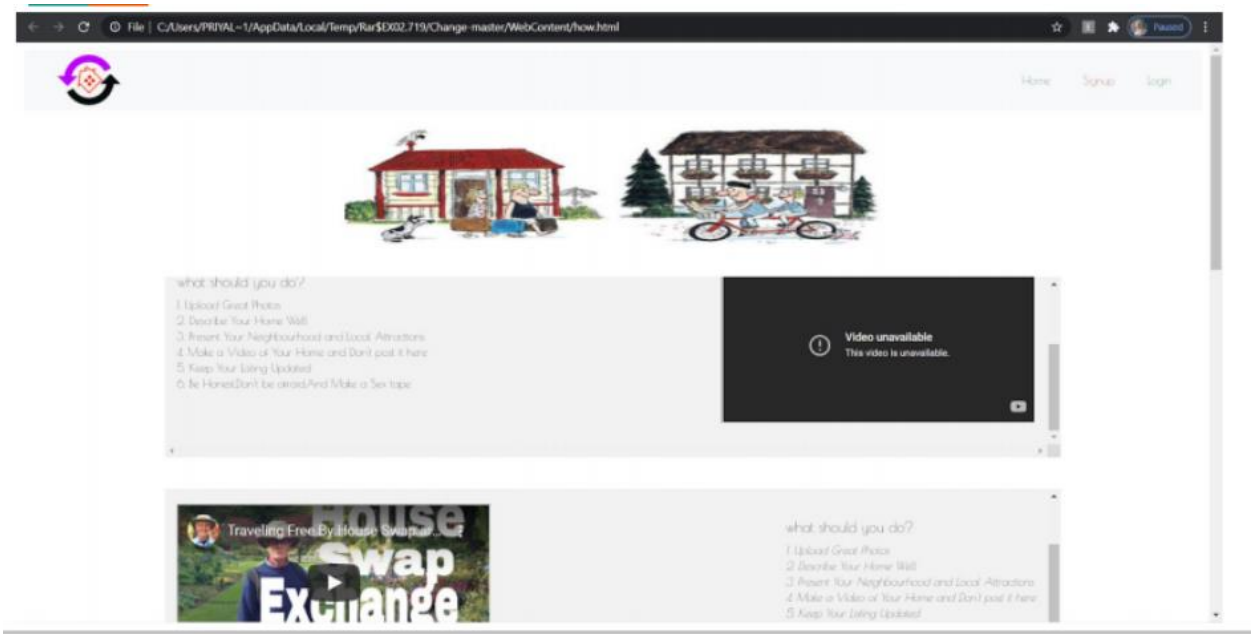


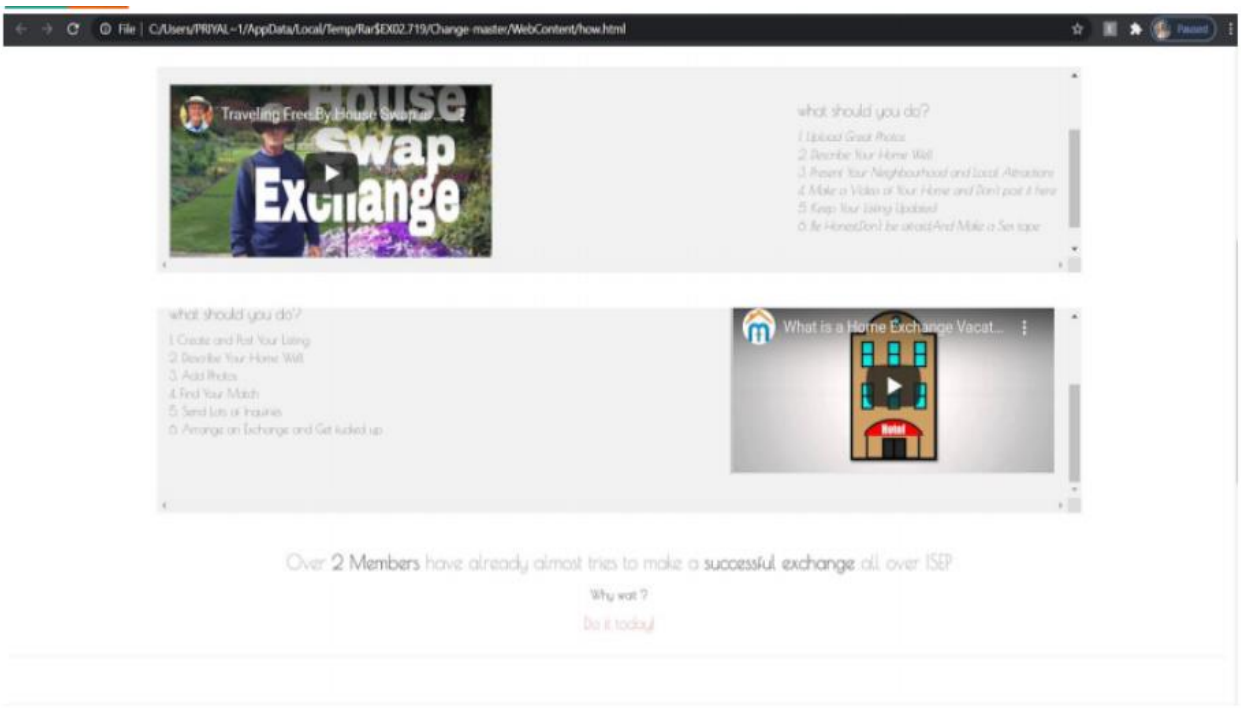
9. Build-Measure-Learn

The Build-Measure-Learn cycle is a feedback loop that is said to be one of the core components of the Lean Start-up methodology. Its goal is to turn uncertainties, assumptions and risks into knowledge or "sure things" that will eventually guide organizations and business towards progress. Through this process, the key unknowns can actually be transformed into knowledge that the start-up can use in its product development – and business operations, as a whole. This whole process can also be called an experiment.



9.1 Minimum Viable Product

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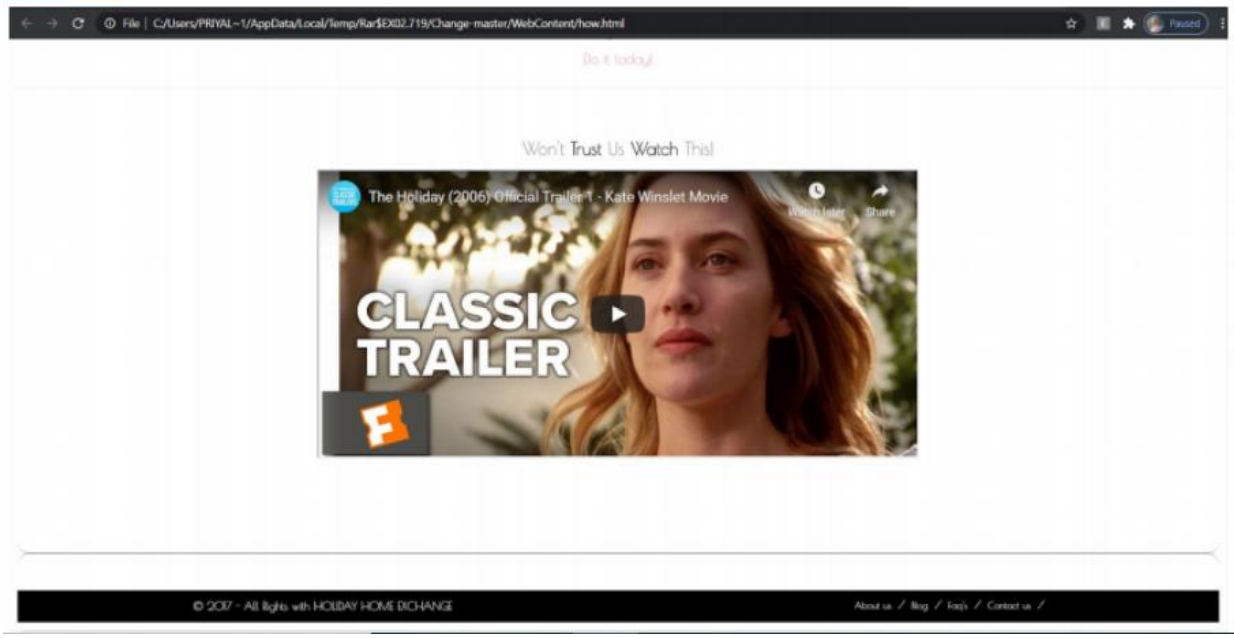
Traveling Free By House Swap
House Swap Exchange
what should you do?
1 Upload Great Photos
2 Describe Your Home Well
3 Present Your Neighbourhood and Local Attractions
4 Make a Video of Your Home and Don't post it here
5 Keep Your Listing Updated
6 Be HonestDon't be afraidAnd Make a Sex tape
what should you do?
1 Create and Post Your Listing
2 Describe Your Home Well
3 Add Photos
4 Find Your Match
5 Send Lots of Inquiries
6 Arrange an Exchange and Get Invited up
What is a Home Exchange Vacat...
Over 2 Members have already almost tries to make a successful exchange all over ISEP
Why wait ?
Do it today!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Do it today!
Won't Trust Us Watch This!
The Holiday (2006) Official Trailer 1 - Kate Winslet Movie
CLASSIC TRAILER
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9.2 Customer Discovery

Basically, customer discovery is that we have to identify the customers. In this step we will identify the business canvas for the project, its minimum viable product, what are the hypothesis that may occur and test the problem and the solution achieved by use and decide whether to pivot or to proceed. Testing with Customers: We have to highlight the customers those who are of high value to use. We even have to include others. Asking the questions based on the hypothesis. We have to limit their answers just to "yes" or "no". After getting the reviews or feedback from the customers we have to discuss it with the mentors and have to decide whether to pivot or proceed. From the survey we can identify our target market as Homeowners in the 18-35 age group.

9.3 Customer Validation

Customer validation is all about developing positioning i.e. Listening to customer feedback and again deciding whether to pivot or proceed. We performed customer discovery with the help of our survey from Validated Learning. From the data we can conclude that people are not very comfortable or familiar with the idea of Home Exchange so before proceeding we need to spread this idea first. This can be done through targeted advertising, social media marketing etc. to get them interested. Based on feedback we update our MVP iteratively to arrive at a final product:

- A chat function is introduced so customers can communicate with interested swappers and build trust.
- Photo upload is integrated so customers can upload photos of their home and view others' as well.
- Collaborate with an insurance agency to provide option to customers to get insurance if needed so they feel more comfortable exchanging homes.
- Improve customer service with integration of chatbots and FAQs.

9.4 Customer Creation

The first two steps of the customer development model, customer discovery and customer validation are all about learning and discovery about the customer. Once the ideas about the customers are validated, we're ready to bring in more customers with customer creation. Customer creation is all about reaching out to your wider customer base. "A consumer need is not always the same as consumer demand".

- For build manager we are entering into an existing market.

- Basically currently available companies collect a lot brokerage costs.
- But we would consume only 4-7 % of the complete construction cost.
- By doing so people will prefer us than most of the other companies.
- We have separate department for each of the sub divisions such as frontend & backend development of the website, construction check, quality check, material check etc.
- By doing so we can complete the webpage construction fast.
- We have to prepare our own media strategy to overcome other companies.
- Proper metrics for the construction should be done.
- We then have to prepare an entire plan summarized.
- Search Engine Marketing can be used to attract more customers

9.5 Customer Segmentation/Building

Segmentation allows marketers to better tailor their marketing efforts to various audience subsets. Those efforts can relate to both communications and product development. Specifically, segmentation helps a company:

- Create and communicate targeted marketing messages that will resonate with specific groups of customers, but not with others (who will receive messages tailored to their needs and interests, instead).
- Select the best communication channel for the segment, which might be email, social media posts, radio advertising, or another approach, depending on the segment.
- Identify ways to improve products or new product or service opportunities.
- Establish better customer relationships.
- Test pricing options.
- Focus on the most profitable customers.
- Improve customer service.

9.6 Learning with Five Whys

"A new release broke a key feature for customers. Why? Because a particular server failed. Why did the server fail? Because an obscure subsystem was used in the wrong way. Why was it used in the wrong way? The engineer who used it didn't know how to use it properly. Why didn't he know? Because he was never trained. Why wasn't he trained? Because his manager doesn't believe in training new engineers, because they are too busy?"

After launching our Minimum Viable Product (MVP), we encountered few problems and challenges. Our team has come up with suitable countermeasures and Backup support that establishes professionalism between the Our Organization and Customers. The following are a few key issues that we have addressed :

9.6.1 Host Cancellation Assistance

What happens when my host cancels my exchange? Money will be refunded to your account automatically.

- The Support Team will be keeping track of all the cancellations and they will contact you. You can contact the team through support feature in the website.
- Please do not book any paying accommodation before talking with a member of the team. The team will guide you and help you find a substitute exchange that meets the basic criteria of your search.
- Once you get a positive answer, our team is here to help you finalize the new exchange.
- If we cannot find a substitute exchange and you wish to cancel your trip, we will reimburse your non-refundable fees directly related to the exchange tickets for the train, plane, etc. upto 1000 Rupees per night
- If we cannot find or substitute exchange and you want to pay for an alternative accommodation (a hotel, for example, we will reimburse lodging expenses up to 1000 Rupees night)

9.6.2 Non-conformity Assistance

What happens when the house of my host is substandard or inaccurate? To avoid any misunderstanding make sure to communicate well with your host before finalizing and carefully read the listing Nevertheless, those situations can happen, here is how we proceed

In case no solution can be found contact the Support Team with description of the problem you are facing with pictures or videos that are necessary to understand and assess the situation. Our team will soon get back to you and if needed we will help you find another home exchange.

You can find here the list of criteria for substandard or inaccurate homes. The application of our guarantees are subject to our Home Exchange Service Conditions Incase substandard or inaccuracy criteria are met, our team will help you search for an alternative exchange. If our team does not manage to find another home exchange, you will be able to benefit from our financial guarantees for a replacement accommodation. We will reimburse the charges you paid for the accommodation, up to 5000 per night.

10. Innovation Accounting

Innovation Accounting is the process of defining and measuring the innovation within an organisation. Especially when we are still creating and testing ideas we need non-financial indicators for success. That is why every modern organisation needs innovation accounting next to traditional financial accounting. Innovation Accounting focuses on managing the following three innovation activities:

- Making investment decisions on different products at different points in their innovation journey.
- Tracking and measuring the success of specific innovation projects.
- Assessing the impact that innovation is having on the business as who

10.1 Innovation Accounting Level 1 : Customer Focused

Our Business goal is focussed on Attracting a wide range and variety of customers to try out our product and make them feel wanted. Keeping this in our mind We've set certain traits for our organization that must be accomplished. These traits/metrics have one common target which is to gain customer attention. Since our project is mainly targeting the younger generation of audience We've built our System from various surveys and questionnaires such that we already know what the customer needs and how they want the system to perform. Some examples of Practicing Level 1 of Innovation Accounting would be,

- Our System's UI/UX which is Minimal which our customers wanted to be and also user friendly which is reflected from their Feedbacks.

- Progress Tracking; where we track customer activities like monitoring how long they surf in our System, what locations they've searched, to how many users they've shared our product.
- We've also equipped our System with a Chat-bot where our Users can ask their queries and get them cleared asap

10.2 Innovation Accounting Lever 2 : Leap of Faith Assumptions

Now as we know what works and what doesn't work with the customers, we identify 'Leap of Faith Assumptions' which are the most basic assumptions to improve our business opportunities. As we had certain metrics to evaluate our growth in the first level we set certain metrics in this level of Innovation Accounting. Here we focus on achieving two things Value Hypothesis and Growth Hypothesis.

In Value Hypothesis we assume how Valuable/useful our product would be to the Users. To ensure that we are providing what the customer actually needs we had made sure of what the customer expects from our surveys and Questionnaires. Now that we know what is needed and what is not needed and we're building a right product we move on to Growth Hypothesis.

Growth Hypothesis is basically how we evolve our product in future according to the customer's need and satisfaction. Growth Hypothesis and Value Hypothesis goes hand in hand. So If everything goes well with Value Hypothesis, based on customer queries and Demand of the product we can rebuild our product with more efficiency

10.3 Innovation Accounting Level 3 : Net Present Value

In this level we are summarising our learning and outcomes from the 1st and 2nd Levels of Innovation Accounting. We try to execute and implement the suggestions that are collected from the 2nd level and Set-up the System that satisfies the users to their fullest. As we've collected data and reports about,

- The different Age groups of people who use our product,
- The location that is most demanded,
- The plans that they are opting for,
- The environment they wish,
- The payment methods,

- The vocational spending time We've come out with the Business Plan that would ensure what the customer expects from the Our Organization.

10.4 Budget & Funding

- Users should pay a subscription amount yearly in order to hold an account.
- User having an account can post the pictures, description type and duration of the House renting or swapping. Based on the agreement between the users to swap houses for particular duration, 10 – 20% of transaction amount is charged for posting their houses and providing a match between the user's accommodation.
- In case of different types of accommodation swapping, the user having higher accommodation type is given more amount and fairness is maintained.
- Funding Investors- Founders, friends, family.
- Estimations of team investment: We are a team of 10, each of us investing 5,00,000 Rs

10.5 Ways to Raise Money

Angel investors are individuals with surplus cash and a keen interest to invest in upcoming start-ups.

- They also work in groups of networks to collectively screen the proposals before investing.
- They can also offer mentoring or advice alongside capital.
- Angel investors have helped to start up many prominent companies, including Google, Yahoo and Alibaba.
- This alternative form of investing generally occurs in a company's early stages of growth, with investors expecting upto 30% equity.
- They prefer to take more risks in investment for higher returns.

10.6 Year Wise Financial Plan

S.No	Year	Expenses (Rs)	Profit (Rs)
1	Year 1	80,000	40,000
2	Year 2	65,000	80,000
3	Year 3	60,000	1,15,000
4	Total	2,05,000	2,35,000

11. Conclusion

In the face of commercial pressures, home swap is different from most other forms of modern tourism in that it has not been developed with the intention of commercialisation. Instead, it is among the very few forms of hospitality which deliberately devalues the monetary values that generate capitalism. Thus, home swap represents a significant departure from dominant understandings of tourism and can be referred to as a minority product within a broad spectrum of hospitality offerings. Despite its small scale, home swap contributes to local economic development and helps people to save money from travelling