

# OYO

## ROOM for EVERYONE - A Case Study



# Introduction



- Title: "OYO: Revolutionizing the Hospitality Industry"
- Introduction to OYO: Present a captivating opening statement about OYO's mission to transform the hospitality industry through innovation and disruptive business models.
- Briefly explain OYO's vision of providing affordable and standardized accommodations to travelers worldwide.
- State that the presentation aims to explore OYO's journey, challenges faced, and the strategic solutions implemented to overcome them.

# Company Overview



- **Provide a background of OYO Rooms:** Explain how OYO originated in 2013 as a budget hotel aggregator in India, leveraging technology to streamline the booking process.
- **Highlight the key founders:** Introduce Ritesh Agarwal, a young entrepreneur, as the brain behind OYO's vision, and mention his achievements, such as being the youngest self-made billionaire in India.
- **Highlight OYO's exponential growth through funding rounds:** Mention the significant investments received from global investors, resulting in high valuations and financial stability.



# Business Model



# OYO's Business Model Evolution



- Explain the old aggregator business model: Elaborate on how OYO initially partnered with budget hotels, standardized their offerings, and listed them on their platform to provide streamlined booking experiences to users.
- Illustrate the challenges faced with the aggregator model, such as quality control issues and fluctuating guest experiences across different properties.

# OYO's Business Model Evolution



- Describe the shift to a fully stacked franchise business model: Highlight OYO's decision to lease and manage properties directly, thereby ensuring consistent quality standards and enhanced customer experiences.
- Discuss the benefits and challenges associated with each model: Address scalability, operational efficiency, and the impact on customer satisfaction.

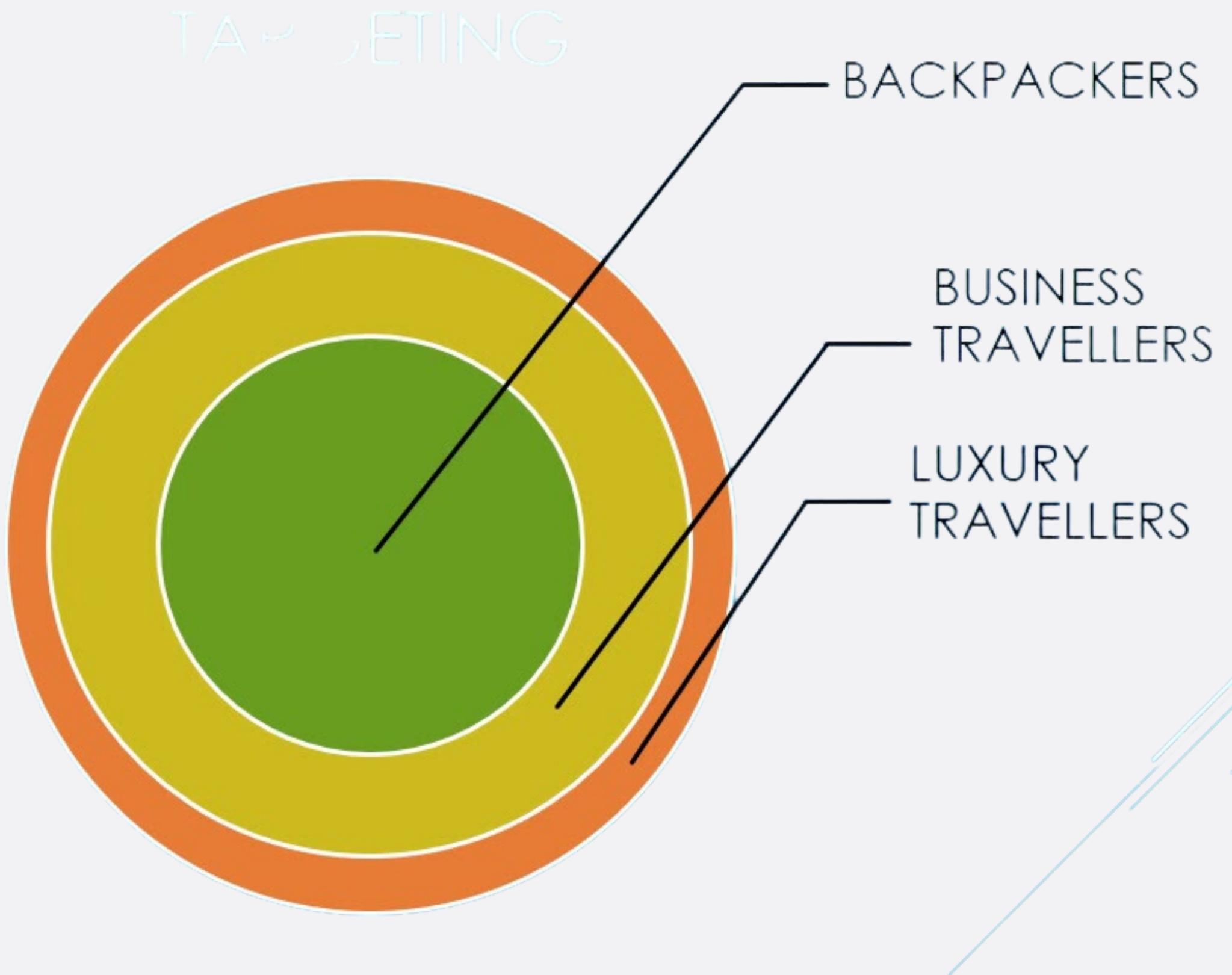


# Challenges Faced by OYO

- **Discuss the high cash burn rate:** Explain the substantial investments made by OYO for rapid expansion, technology development, and marketing campaigns.
- **Describe the standardization issues faced by OYO:** Highlight the difficulty of maintaining consistent quality and guest experiences across diverse properties in different locations and market conditions.
- **Address the competition and malpractices within the industry:** Explain the challenges OYO encountered due to intense competition, pricing pressures, and unethical practices by some market players.



# OYO's Market Segmentation



Analyze the customer base in terms of booking preferences:

- **Business travelers:** Highlight the features and services offered by OYO catering specifically to the needs of business travelers, such as affordable yet comfortable stay options with convenient locations.
- **Budget travelers and families:** Discuss OYO's focus on providing affordable and family-friendly accommodations that meet the needs of budget-conscious travelers.

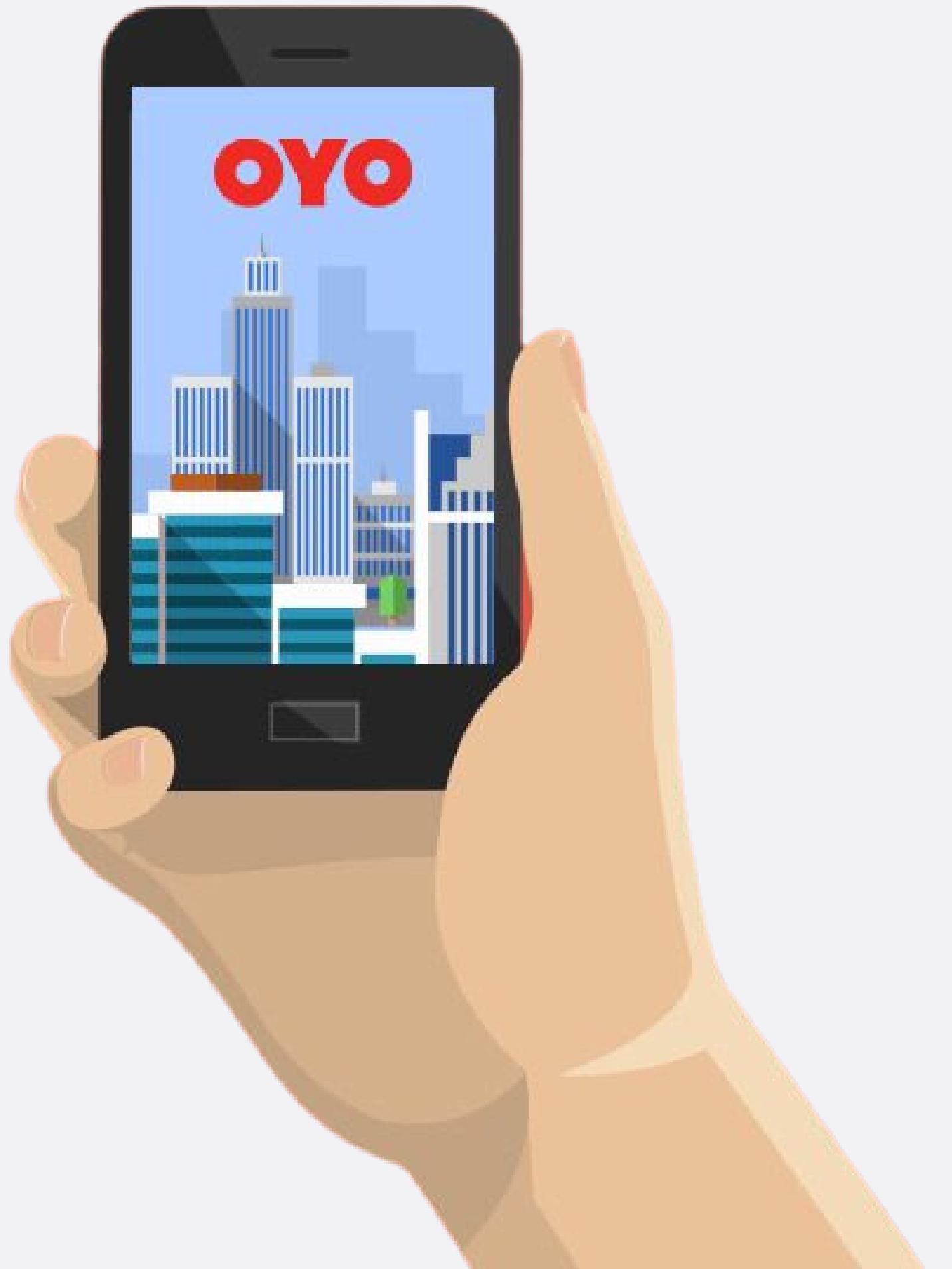
Provide percentage breakdowns of these segments: Display visual representations showing the distribution of OYO's customer segments, showcasing the diversity of its user base.



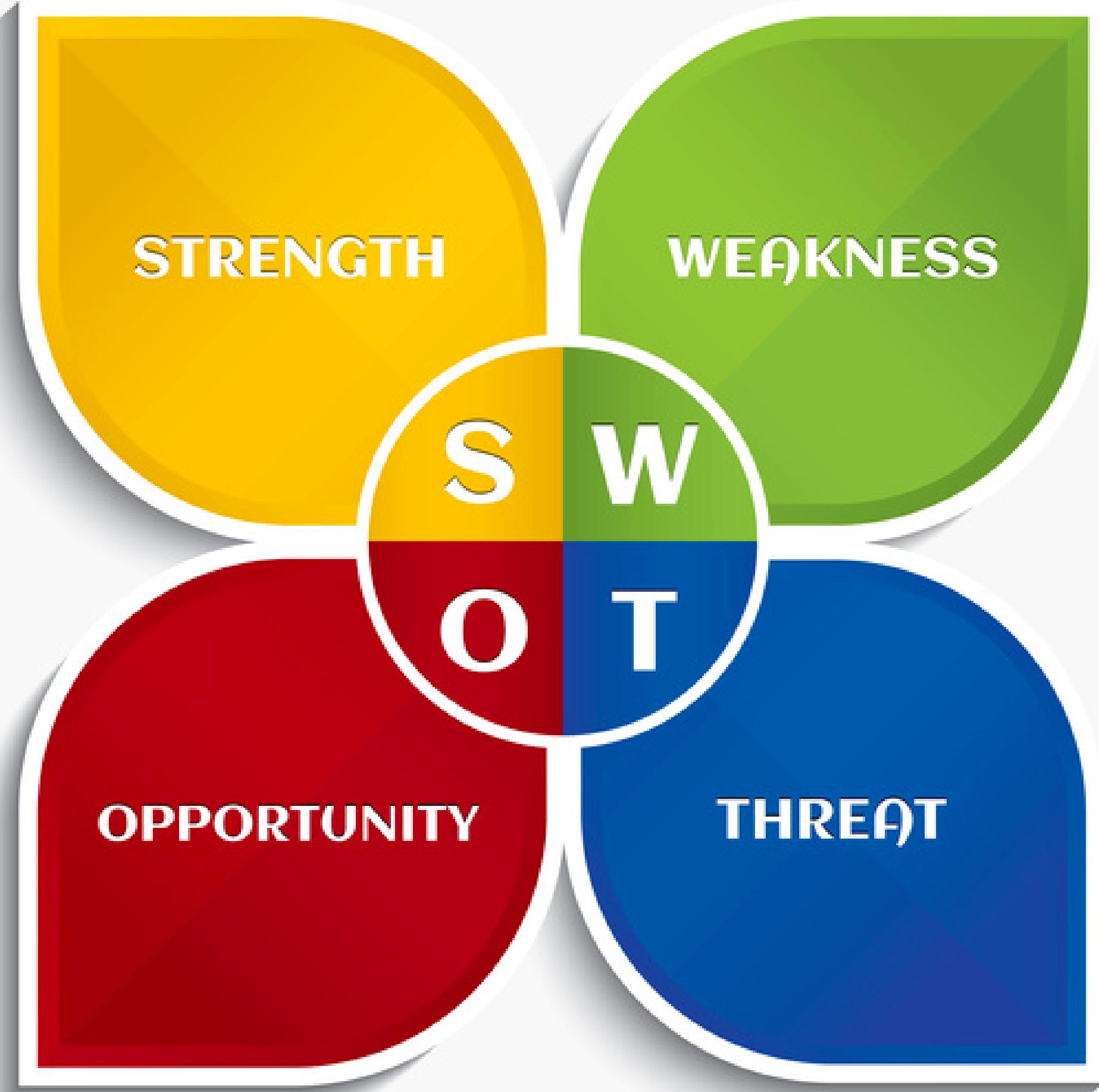
# Founder's Mindset and Achievements

- **Delve deeper into Ritesh Agarwal's journey and background:** Explain Ritesh Agarwal's early entrepreneurial endeavors and his passion for solving problems in the hospitality industry.
- **Highlight Ritesh Agarwal's achievements and recognition:** Mention his inclusion in prestigious lists such as Forbes' "30 Under 30," as well as any other industry-specific awards or accolades he has received.
- **Emphasize how Ritesh Agarwal's visionary mindset and leadership have been instrumental in OYO's growth and success.**

# OYO's Expansion Strategies

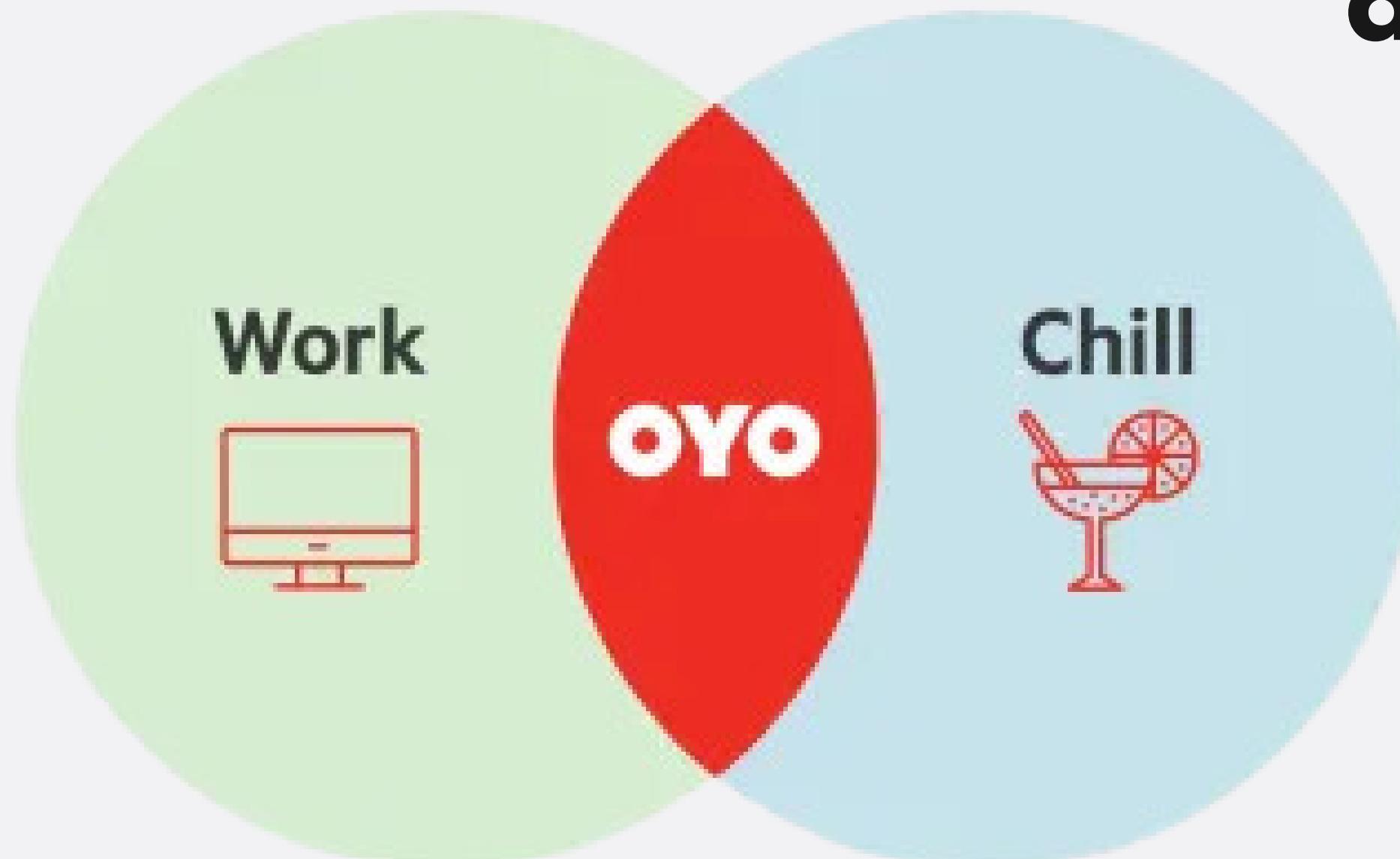


- Explore OYO's focus on mass retention and acquisition: Elaborate on the strategies implemented to attract and retain customers, such as personalized offers, loyalty programs, and referral discounts.
- Discuss OYO's utilization of digital marketing and social media: Explain how OYO harnesses the power of digital platforms, social media channels, and online advertising to reach a wide audience and maximize brand visibility.
- Provide examples of successful marketing campaigns: Highlight specific marketing initiatives that have yielded impressive results, such as viral social media campaigns or collaborations with influencers.



# SWOT Analysis of OYO

# Perform a comprehensive SWOT analysis for OYO:



- **Strengths:** Highlight OYO's strong brand recognition, extensive network of properties, and technology-driven approach to the hospitality industry.
- **Weaknesses:** Address areas where OYO could improve, such as enhancing quality control, managing profitability, or addressing any operational challenges.
- **Opportunities:** Identify potential avenues for growth, such as entering new markets, diversifying services, or expanding partnerships with corporate clients.
- **Threats:** Identify market threats, such as intense competition, regulatory challenges, economic downturns, or changing consumer preferences.

# Services Provided by OYO



- **OYO Flagship:** Highlight the budget hotel offerings with standardized amenities and services.
    - **Events & Other Long Stays:** Discuss OYO's ability to cater to event-related accommodations and long-term stays with customized solutions.
    - **Commercial Places:** Explore OYO's corporate services, such as providing accommodation options for business travelers and corporate clients.
    - **OYO Wizard:** Explain OYO's subscription program that offers exclusive benefits and rewards to frequent guests.
    - **OYO Townhouse:** Describe OYO's premium hotel offerings, blending hospitality with technology for a unique guest experience.
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- An illustration showing a man and a woman standing in front of a large grey rectangular screen. The screen displays the OYO logo at the top left and a bar chart with red and black bars. A light gray line graph is overlaid on the chart. The man, wearing a blue t-shirt and dark pants, is pointing his right index finger towards the screen. The woman, wearing a red dress, is pointing her right index finger towards the screen. They appear to be examining the data together.

# OYO's Solutions to Today's Challenges

- **Real customer marketing and feedback integration:** OYO actively incorporates customer reviews to enhance service quality and uses positive feedback in advertisements to build trust and attract new bookings.
- **Revenue sharing feature with hotels:** OYO's revenue sharing model incentivizes hotels to maintain high standards, ensuring a win-win situation for OYO and its partners.
- **Policy improvements:** OYO continually refines policies for booking cancellation, guest behavior, and property standards to ensure transparency, fairness, and consistent guest experiences.



# OYO's Expansion Strategies

- **Refinement of customer experience:** OYO invests in training its staff to efficiently handle customer complaints, addressing issues related to room cleanliness and hidden charges promptly and to customer satisfaction.
- **Collaboration with hotels for room quality control:** OYO collaborates with partner hotels to maintain high room cleanliness standards, utilizing inspections and quality checks to ensure consistent quality.
- **Transparent pricing agreements:** OYO works closely with hotel management to enforce transparency in pricing, eliminating hidden charges and ensuring upfront pricing information for customers.



# Case Study: Solution Recommendations

- Refund policy enhancements: OYO streamlines the refund process, ensuring prompt and hassle-free refunds in case of cancellations or issues.
- Collaboration with hotels for room quality control: OYO collaborates with partner hotels to maintain high room cleanliness standards, utilizing inspections and quality checks to ensure consistent quality.
- Transparent pricing agreements: OYO works closely with hotel management to enforce transparency in pricing, eliminating hidden charges and ensuring upfront pricing information for customers.



# Conclusion



- Recap the main points discussed throughout the presentation, reinforcing OYO's journey, challenges, and solutions.
- Summarize the key takeaways from the case study analysis, emphasizing the strategic approaches and recommendations for ongoing success.
- Conclude with an inspiring statement about OYO's commitment to revolutionize the hospitality industry globally.

## NUMBERS TELL A STORY

**18,000+**  
BUILDINGS

OVER  
**515,000**  
ROOMS

**500+**  
CITIES

**10**  
COUNTRIES

**12,000+**  
GLOBAL EMPLOYEES

## KEY INVESTORS

SOFTBANK GROUP, LIGHTSPEED  
INDIA, SEQUOIA CAPITAL,  
GREENOAKS CAPITAL, HERO  
ENTERPRISE AND CHINA  
LODGING GROUP, AIRBNB  
AMONGST OTHERS

# OYO'S GLOBAL FOOTPRINT

The hotel chain, like Uber, is possibly using a cookie-cutter model to scale up.



## MONEY MATTERS

RAISED OVER  
**\$1.5 BILLION** YTD

VALUATION  
**\$5 BILLION**

SOURCE: COMPANY