REDBUS CASE STUDY

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Redbus high level synopsis

Platforms – Windows, Android & IOS app

redBus is an official partner for booking bus tickets with APSRTC, GSRTC, TSRTC, MSRTC, KSRTC (KeralaSRTC), UPSRTC, RSRTC as well as popular bus operators & services like Zingbus, Orange Travels, SRS Travels, VRL Travels, Sutra Seva, Chalo Bus, Go Tour, National Travels, Intercity Chartered Bus etc. at a low price.

- 36 million+ customers globally
- Network of 3500+ bus operators
- 220 million+ trips have been booked
- 50,000,000+ downloads
- 21.2L reviews

Question 1	Identify at least **3 key metrics** 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. (**Instructions**: Review their app and website thoroughly to be able to come up with relevant metrics.)

Response	**Key metrics**
	⭐ **Weekly / Monthly Revenue**
	    • Reason – This will help us to measure weekly/monthly revenue and will help us to compare to week to week or month by month and can help us to improve the stance of the product in the market
	⭐ **Conversion Rate (Funnel Analysis)**
	    • Reason – This will help us to identify the customers who are actually utilizing our services (booking the ticket) and helps us to calculate and identify the retention of users and can optimize the churn rate in each stage of funnel.
	⭐ **Bookings per day & per platform**
	    • Reason – This will help us to calculate transactions per day at platform and can help us to measure the customer retention on the product platform per day and can help us to focus the targeted customers.
	⭐ **Average revenue per operator & per user (ARPO & ARPU)**
	    • Reason – Average revenue is for revenue per user or operator and helps the business in terms of growth. Changes implies to track and improve the growth.
	⭐ **Loyalty customers**
	    • Reason – Identifying loyalty customers from the customer life time value (CLV), average spend by customer, customer retention rate, Repeat purchase rate & NPS. This improves how frequently the customer are doing the transactions and will helps to reduces customer acquisition cost.

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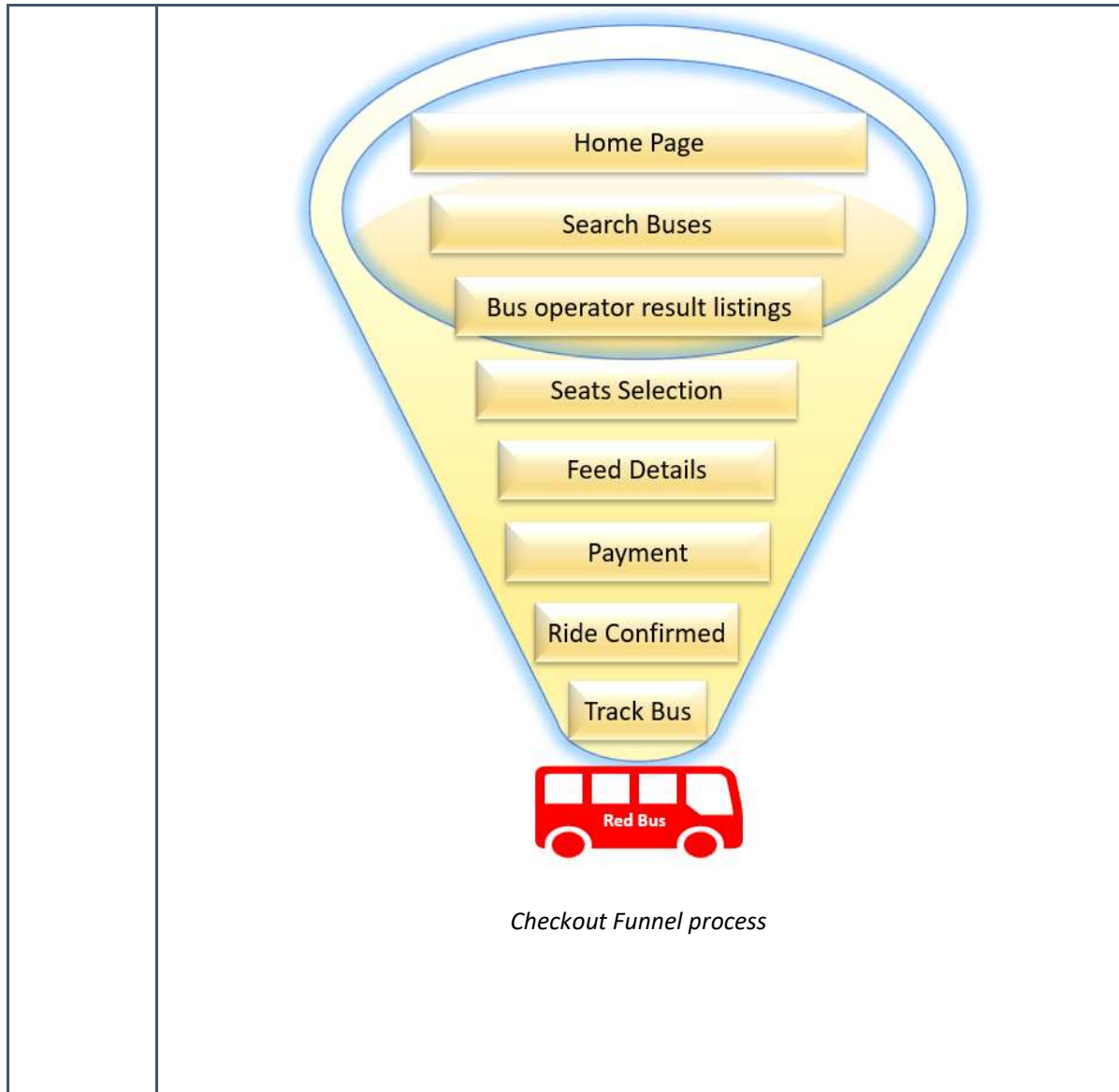| Question 2	Which of the **3 user segments** could be the most valuable for achieving your business objective? Explain your reasons behind selecting these segments. (**Instructions**: Explore the behavioural, demographic and technical segmentation categories, which you learnt about earlier)

Response	**User Segments**
	★ **Behavioural Segment–** This defines the customer base preference product features
	• Travelling mode
	   o People who travel cities frequently
	   o Most Tier 2 & Tier 3 users travel in bus
	   o Users who travel at weekends
	• Factors to purchase
	   o Offers
	   o Discounts
	   o Service
	   o Brand
	   o Cancellation process
	   o Change destination to travel
	   o Influence of social media
	• Hiring customers
	   o Group booking
	   o Tourist booking or hiring
	   o Family/friends booking
	• Platforms
	   o Most users are Android customers
	
	★ **Demographical Segment–** This defines the customer who will purchase the bus tickets
	
	• Location wise
	   o Tier 2 & Tier 3 cities
	• Age wise
	   o 18-40 years age to travel
	• Gender
	   o Male or Female (No gender constraint)
	• Language
	   o Mostly Hindi
	• Salary wise
	   o Customers who cannot effort Airways
	• Purpose
	   o Business/Work purpose
	   o Study purpose
	
	★ **Psychographic Segment–** This defines the customer to groups who purchase the bus tickets
	• Trips
	   o Frequency of trips
	   o College student trips
	   o Business trips

- o   Seasonal trips
- Seasonal Plans
  - o   Vacation
  - o   Festival season
  - o   Pilgrimage visits
- Travel motive
  - o   Business
  - o   Pilgrimage
  - o   Vacation/Leisure
  - o   Celebration

⭐ **Technical Segment–** This defines the app technicality

- ❖ App technicality
  - ➢ Operating systems
    - o   Android
    - o   Windows
    - o   IOS
  - ➢ Devices
    - o   Mobile
    - o   Laptop
    - o   Desktop
    - o   Tablet
  - ➢ Browsers
    - o   Microsoft Edge
    - o   Chrome browser
- ❖ Bus Technicality
  - ➢ Bus Operators
    - o   Govt Buses
    - o   Private travels
  - ➢ Bus category
    - o   Branded
    - o   Regular
    - o   Insurance buses
    - o   GPS buses
  - ➢ Bus Offerings
    - o   Deals
    - o   Offers
    - o   Discounts
    - o   Child discounts

Question 3	A. Write down the steps involved in the checkout funnel for RedBus? B. Which **4-5 cuts or parameters** would you use in order to monitor this funnel on a daily basis? (**Hint**: 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.)

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Response (3A)	⭐ **Steps involved in transactional funnel process** **Home Page** – User first hand page after launching the app to book a bus ticket. Need to setup google analytics from here to monitor **Search buses** – A search bar where users would like to search the buses from source to destination. User can perform search operations using filters and can search for any locations. **Bus operator result listings** – This is outcome of search results by the user to view the result listing page of different bus operators. This helps user to view the list buses in detail that includes photograph, user views, timings …etc **Seats selection** – User to select seat/berth in the bus to travel on his choice. **Feed Details** – Details like source, destination and personal information to feed by users. This helps operators to maintain buses. **Payment** – Confirmation of booking through the payment completion process. Different payment options are available to pay. **Ride confirmed** – Ride confirmed and ticket will be shared through what's app & phone number. A SMS and email will be shared as user provided the feed details. **Track Bus** - Map will generate once ride starts and will be tracked till user reaches the destination. Tracked at user level.

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Checkout Funnel process

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Response (3B)	⭐ **Cuts or Parameters**
	● Types of operating platforms
	   ○ Traffic by different operating systems
	● Users by demographic
	   ○ Users from tier1, tier 2 & tier 3 - locations
	   ○ Users by age group
	   ○ User by devices used by operating system
	   ○ Users by channels
	   ○ Users churn rate
	● Daily bookings
	   ○ Number of bookings done by user per day and per week and helps to reach the primary objective of application
	● Active user's vs New user's vs Retention users
	   ○ Helps the business to get sustainable business and helps to stay in the market with competitors
	● Popular routes
	   ○ Most source and destination trips done by most users will help to optimize the booking easily
	● ARPS – Average revenue per seat
	   ○ Helps to estimate ARPU and helps the application performance
	● Churn rate
	   ○ Churn rate may be high at search results not found
	   ○ Churn rate may be high for no cancellation or no change in destination after booking
	   ○ This can be used as bounce rate of web or app.
	● Payment methods
	   ○ Payments – Cards, UPI, Net banking, one clicks payment

Question 4	A. Suggest at least **2 new features** and **2 growth strategies** that can help RedBus increase the number of transactions? (**Hint:** 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.) 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. (**Note:** Mention **at least 3 key metrics**, along with valid reasons for considering them.)

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Response (4A)	**New Features** ⭐ **Travel trip packages** • Redbus can offer travelling trip packages for customer as they are tied up with different state transportations running by state authorities. This will help business to gain and retain customers. ⭐ **Language support Feature** • Most of the users are tier 2 and tier 3 users. They are commonly native in nature to use the app. Suggest to provide ticket in the location-based language. Suggest to have a chat facility on location-based language. App language set to local language ⭐ **Ticket insurance policy** • This will ensure a safety measurement for the operator and customer. Customer retention will improve with a clearly defined safety measurement. **New Growth strategies** ⭐ **Pilgrimage Package** • Most of the Indian users would like to visit pilgrimage. Offering a package to pilgrimage places will grow the business. ⭐ **Business tie-ups /partnerships** • A strategical tie-up /partnership with different partners like **CRED, Amazon, Phone pe, what's app**, **Insurance** will help the business win to win situations. This improves the brand visibility and retention in the market. This may help to provide offerings for customers. Eg – Cred can help to provide loyalty customers, what's app can help to track the bus and can share the tickets. ⭐ **New users' monthly subscription** • Target users who prefer regular travelling to subscribe the application will help the application retention of user policy and will increase the NPS of the application.
Response (4B)	**Metrics for new Features** **Bounce rate** • Helps to identify users who came and visit application and did not perform any action **Booking vs Refunds** • This will identify the user conversations **Demographic users- Daily active users, Weekly active users** • Identify the tier 2 and tier 3 users for the location-based services. **Session tracking** • This helps to track live features that are currently using by customers and helps the feature to track location **Metrics for new Growth** **NPS** • This metric will helps use to recommend the customer to travel or use the offerings and will help us to promote the app and will help to retain more customers. **Retention rate** • This helps us to identify loyal customers serving us over period of time **CTA clicks/ Bookings** • Identifies the new category bookings for business

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	Popular routes • This will help the business to identify and improve the pilgrimage options and also will help subscription policy
Question 5	According to you, what are the major challenges that RedBus could face in the next 12-24 months? (**Note:** Mention **at least 3 major challenges**, along with valid reasons)
Response	• GST increase from 9 to 12% will increase the cost of ticket at operators and can lose the customers • Market recession will influence the travelling participations and may have churn rate for business trips • Fuel cost increasing on daily will impact the cost and this will reduce some retention of customers • New policy, regulations and cost to define for battery bus operations • Reducing booking failures to less than 2% • Female safety measurements is always challenge in all tier cities • GPS system tracking at tier 2 and tier 3 locations • Slower network bookings

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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	**Fewer than 3** key metrics have been identified and a relevant explanation to considering these metrics has not been provided	**At least 3** 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	**Fewer than 3** user segments have been mentioned, and they are not classified based on demographics, behavioural/psychographic and technical categories	**At least 3** 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	**All** the important steps of the checkout process have not been mentioned correctly	**All** 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	**Fewer than 4** cuts have been provided, without any explanation	**At least 4** cuts have been provided, along with valid reasons for considering these cuts
Suggesting New Features & Growth Strategies	Suggest new features and strategies that can help redBus increase the number of transactions	20	**Fewer than 2 new features and 2 growth strategies** have mentioned, without a relevant explanation	**At least 2 new features and 2 growth strategies** 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	**Fewer than 3** metrics to measure the success of the suggested features and growth strategies have been identified	**At least 3** 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	**Fewer than 3** challenges have been listed, without any relevant explanation	**At least 3** major challenges have been listed, along with a relevant explanation

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