REDBUS CASE STUDY

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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	Objectives: ✓ To improve transactional funnel by improving the churn ratio for Redbus ✓ To increase transactional growth by expanding the market from tier 2 and tier 3 cities and to provide excellent customer service. 1. **Manual Bus search to app launch ratio**: This is the ratio of the number of users who are searching for buses out to all those users who have launched the app. The factors that affect this metric are: • App crashes during app launch, which leads to poor user experience • Well managed of sudden increase of bookings during seasonal changes which will help increase the number of bookings and also improving the customer satisfaction. 2. **Volume of successful booking** : This is the ratio of the number of users who are able to execute successful booking to all those who have initiated the payment. The factors that affect this metric are: • Payment gateway issues faced during transactions on weekly/monthly basis so that TAT can be reduced. • Booking API issues due to a lack of communication with the bus operators • Sudden changes in fares leading to users exiting the platform 3. **Number of bookings by new Users per Week/Month ratio**: This is the ratio of bookings done by new users to the total number of bookings. The major factor that affects this metric: • Paid marketing and organic marketing methods can be used to increase the number of new users 4. **New signups - New signups** across all platforms will track new users and hence growth potential 5. **User acquired through various social channels-** This will give the most profitable social marketing channels where RedBus should invest in to grow conversion rate 6. **Platform (Android, iOS, Web, mew) -** This will track users by Platform. 7. **Active users-** Tracking active users will give stickiness of the app and potential growth

	8. **Churn Rate-** Churn rate will depict the challenges and pain points faced by users and will measure the CLTV
	9. **CRR** - Customer Retention Rate will show how satisfied users are with the product
	10. **ARPU**- This will measure the revenue by each user
	11. **No of completed transactions-** This will show the no of transactions and performance of various features of the product
	12. **CAC**- Amount spent on acquiring customers
	13. **Average time taken to complete the transaction**- For RedBus decreasing the time taken to complete the transaction will lead to better experience
	14. **Conversion rate to customer-** Will show how many users completed core activity like booking a bus seat after signing up
	15. **LTV-** Will measure the lifetime value of customer on the basis of ARPU and customer lifetime.
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	**Demographic:**
	1. Targeting Users from the age group of 18-50 years belonging to tier 2 and tier 3 cities.
	   • RedBus can target users from tier 1 and tier 2 cities who were earlier preferring booking tickets through agency or bus stand. Targeting users of this segment with promotional emails, personalized notifications, and email marketing can increase "First-time orders" and will result in a higher conversion rate.
	
	   Behavioural:
	
	1. **Based on Frequency, quality/type of orders**- Users who are booking tickets more frequently needs to be treated differently from users who are not, Targeted personalized notification to frequent users like "long weekend" notification or "we miss you" notification to the user who hasn't transacted in a 30 days can increase growth
	
	2. **Type of Booking**- Tracking user behaviour by type of booking from- Bus ticket booking, Airport cab service, Pilgrimage or Pool service.
	By tracking user behaviour by type of booking done in past and targeting them through promotional emails for similar types of bookings can drive growth

	1. **Based on cart abandonment-** This tells us the cart abandonment rate for our product and the user associated with it, targeting them with emails will lead to more conversions **Technical:** 1. **Transactions made by platforms-** Conversion rates should be tracked by platforms like Android, iOS, Mobile web and Web which will depict which platform is working well. Platforms which are doing well should be given more preference for new features and User communication
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.)
Response (3A)	Steps involved in the Checkout funnel for RedBus- • Signup/Login Page • Home/Search Page- Enter source and destination with the date of travel • Search result Page- Select bus operator on your selected route, Filters • Seat Layout Page- Select no of seats, Seat numbers, Boarding Point, Dropping point • Contact details page- Enter contact details, Passenger details • Payments Page- Select payment method and details • Confirmation Page- Booking details, Notification via SMS, Email, WhatsApp • Tracking Page- Bus live tracking, Call conductor

Response (3B)	• Active users by Platform - Active users by a platform like Android, iOS, Mobile web, and Web should be tracked which will depict which platform is more popular. Platforms which have more users should be given preference for new features and User communication
	• Source and destination by Location - Tracking source and destination search results can gauge the popularity of the location, which can further be divided into tier1, tier2, and tier 3 cities. Search results will help in Setting up and planning future inventory of buses and seats
	• Top providers: How are the bus providers communicating with the users?
	• Time of day: At what time of the day are the number of transactions high?
	• Bus type: What is the preferred bus type for a user travelling between two points?
	• Booking amount: How does the cost of a ticket affect the number of transactions?
	• Conversion Rate by New/returning user- Tracking Conversion Rate by type of customers- New or returning or Loyal, by gender, by age, location
	• Channel wise Acquisition - Marketing Channel wise Acquisition tracking will help us to know which marketing channel gives more ROI
	• Transactions by the payment method used - Tracking transactions by the payment method used will help in finding the most successful and used payment method, Payment page analytics will allow you to identify potential issues with payments on different devices.
	• Drop rate at each step of the transactional funnel- An extensive funnel for the dropout campaign should be built based on the user journey.
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.

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	(**Note:** Mention **at least 3 key metrics**, along with valid reasons for considering them.)
Response (4A)	**New features:** 1. One-click bus seat booking- Customer preferences like upper seats or lower seats, AC/ Non AC, sleeper/ semi sleeper can be taken at once which can be saved in the user profile and bus recommendation on the basis of same parameters can be provided, moreover one-click booking after providing source and destination address and date of travel can be done. 2. Boarding point support – Boarding point support through google map integration can be provided which will ease the users reaching their boarding points, direct integration with apps like Uber/Ola can also be done 3. Live bus tracking Share- Keeping in mind female traveller's safety, option to share the live location of a bus through a link provided by RedBus and Emergency SOS service can be provided 4. Notification before reaching the destination- Many times users are confused as to when their dropping point is coming, SMSs/ WhatsApp/call notification that the bus is about to reach within specific time can increase the satisfaction as well as engagement/retention rate. **Growth Strategies:** 1. Engage customers who purchased a bus ticket for cross-selling opportunities For increasing the cross-selling capabilities (hotels in this case), every customer who booked a bus can be shown a banner notification in the 'booking confirmation' page recommending hotel and email can be triggered 2. Re-engage and convert the users who dropped at a certain point in their life cycle- At every stage of the dropout, visitors can be retargeted with relevant and personalized messages based on their activities, such as the type of buses searched, destination city selected etc. For example, a user who viewed a bus to a destination city but did not yet make a booking can be sent information about seat availability on that bus via push notification. 3. Improve return-ticket booking rate by targeting the right user segment- Customers who re-visit the site/app within a week of booking a bus can be shown a return trip recommendation which in turn enables the users to book return trips at just the click of a button. 4. Detecting and overcoming checkout error issues to improve conversions- If a customer faces an error while checking out, an email or SMS is sent with a link that lands him back on the same page where he left the site.

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Response (4B)	**Metrics:** 1. Number of Hotel booked- Measured by user converted by clicking on Notification link/ Banner a. Cross-selling of Hotel booking can be tracked by how many users booked the hotel by clicking through the provided link on the email or by clicking on the banner Vs total hotel booking 2. Number of tickets booked- Number of return-ticket booked rate can be measured by how many users booked the ticket by clicking on the link Vs how many users were sent the link 3. No of Transactions dropping off at checkout- No of conversions happened after clicking on targeted link Vs how many users were sent the link will show the success of this campaign.
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	The major challenges that RedBus could face in the next 12-24 months are- 1. Major drop in the number of transactions due to COVID- 19 Now sanitization and public health take utmost priority in the travel domain and trust needs to be built within customers for the same, Trust can be built by the following process- • Through marketing banners on App and website showing safe travel practice • Verifying mandatory installation of Arogya Setu and that only safe marked people can travel through RedBus platform • Imposing regular temperature checks for all traveller's on Bus partners • Imposing use of Sanitisation & masks on Bus partners 2. Providing value for money to customers with new social distancing norms and rising petrol prices 3. Product adoption of new features- Major efforts will be needed to make customers adopt new features such as food, recharge, and bike/carpooling

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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	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

	that RedBus could face			

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