

Customer Retention Strategies to decrease Churn Rate in the Travel Leads Industry

Arun Parkash

Symbiosis Centre for Management and Human Resource Development, SCMHRD, Symbiosis International (Deemed University), SIU, Hinjewadi, Pune, Maharashtra, India
 arun_parkash@scmhrd.edu

ABSTRACT

- Purpose - The case describes how Tripoto, a travel community platform for travel enthusiasts and travel agents, focused on creating retention strategies to satisfy the clients/travel agents and deliver quality leads to them through their online platforms, leading to a decrease in the churn rates
- Design/Methodology/Approach - The study aims to create the qualitative research through one on one telephonic interviews and detailed in-person interviews with the key persons of Tripoto, gauging their beliefs to continually sustain in a business dilemma. Subsequently, data collection of clients and their conversion and churn rates would be done while maintaining the confidentiality terms of the company, to understand the dilemma.
- Practical implications - The study will show the solutions implemented by Tripoto to decrease their churn rates. The study can be utilized by corporates or students to analyze the process of lead management and how the lead management can be made efficient to deliver quality
- Findings - Many companies struggle in efficiently managing the lead management system and Tripoto was one of them. The study reveals how an inefficient value chain, delivering leads to clients can cause high dissatisfaction among all the clients and leads to an increase in churn rate for the company
- Originality/Value - The study is original in nature and it provides the problems faced and solutions implemented by Tripoto.
- Article Classification - Case Study

Keywords

Retention strategies, Lead Management, Value chain, Churn rate

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Introduction

Tourism and Hospitality Industry has become one of the most emerging industries in India as per Tourism Report published by India Brand Equity Foundation in 2019. It has been reported to be one of the key drivers of growth among all the other service sectors in the country. India being rich in terms of cultural and historical heritage, variety in ecology, and natural beauty spread across, provides significant potential to the tourism industry. Also, with the high penetration of social media, Indians have become more aware of the offbeat destinations through their peer groups and "Travel Bloggers". With Travel Bloggers coming into the role, Travelling has become a new trend in the country and people are exploring various places to travel for short and long vacations. With this robust demand, a lot of people are getting into the travel business. As per the report by India Brand Equity Foundation, the travel & tourism sector in India accounted for 8 percent of the total employment opportunities generated in the country in 2018, providing employment to around 41.6 million people during the same year. To unlock this business opportunity, travel suppliers or agents must first be able to identify customers who may have special travel needs. Then they must deliver the services that make their journey safe and pleasant.

Tripoto founded back in 2013, is the most engaged community of travelers in India. It encompasses the largest network of travelers which is used by influential travel groups and brands to promote their products and services. Travelers from all around India post their trip experiences

through blogs, photos, and videos. People who are willing to travel, explore the content available on the platform to either plan their trips or to envisage the destination.

With these offerings, Tripoto experiences a monthly impression of more than 25 Million users and more than 5 million registrations on its website. More than 1 Million people contribute to Tripoto by posting content, photos, and videos regularly. The user base contains people from the age group 18 to 40 years including 54% women audience.

The heavy traffic on Tripoto's website enables the organization to work with travel agents and travel-related brands from all around India by providing them business growth opportunities and assisting them in their promotional campaigns. Tripoto has partnered with a lot of reputed brands to design and implement their branding campaigns, by promising them engagement through social media and website drove traffic. Major competitors of Tripoto are Travel Triangle and Holiday IQ which provides a similar platform for agents to meet travelers but their core value chain differs from Tripoto. While the travel triangle revenue generation comes from the CPA model, Tripoto preferred CPL.

Tripoto's Business Model

Tripoto works on three revenue models as follows:

1. Cost Per Lead (CPL): The model is based on selling high intent, potential travelers; referred as leads, to the travel agents. Tripoto collaborates with the Travel Agents and lists their packages on the website. The package

includes a detailed itinerary and a contact information form is attached along with it wherein the interested users can enter their information which is further sent to the travel agents. Through this channel, the company connects interested travelers with travel agents of their choice. The cost of a generic domestic lead is INR 150 and that of an international lead is INR 250. Some agents also need specifications in terms of departure date, departure city, age, etc. - in these cases, the cost of a lead is increased by INR 50 for each specification. (Company info.)

2. **Cost Per Click (CPC):** The model is used to direct traffic to other websites that have collaborated with Tripoto. The organization works with various travel and flight booking companies and divert the traffic from Tripoto's website to the partner's website through hyperlinks, banner ads etc.

3. **Social Media Promotions:** This model is useful for restaurants, hotels, resorts, travel agencies, travel essential companies and many other travel related brands that are looking forward to high social media presence. Tripoto has an in-house content, design and video team that creates highly engaging articles, creatives and videos to promote the partner's company across Tripoto's social media channels.

Creating the Value

In order to provide best packages to the users, Tripoto has joined hands with numerous Travel Agents including small, medium and large sized enterprises. The organization has a supply for every kind of travel requirement from domestic to international trips, weekend getaways to long trips, and many more.

Tripoto promotes the packages of its travel partners on its website, and social media handles with 472K followers on Instagram and 2M followers on Facebook. The company has differentiated teams that work on different value models within the organization.

Supply Chain for CPL

The supply chain was created in a way that provides maximum attention and visibility to the agent. The supply chain was divided into the below 6 steps.

1. **On-boarding:** The sales team outreaches various travel agents and try to understand their size, strengths, and requirements based on which the suitable leads model is pitched to the client. Once the client is on-boarded with us, the account moves on to the Customer Relationship Management Team.

2. **Creating Profile:** The CRM Team creates the business profile of the agent on Tripoto's platform. This site acts as a micro-site wherein all the packages available with the agent can be uploaded and promoted among the audience. The profile also includes brief detail about the agent and reviews by the travelers.

3. **Promotion:** Once the packages are uploaded, the marketing team starts promoting the packages and profiles on various channels among the suitable target groups – demographics are designed at this stage. For promotion, an attractive cover picture, description of the trip is created by in-house teams and promoted on website and social media.

4. **Lead generation:** Most of the leads are generated organically wherein the interested traveler either visits the website, search for the required destination, and fills in the information or visits social media campaigns. There is a contact information form attached to each and every itinerary where the user can fill in the details. The details are then sent by Tripoto as Travel Lead to associated travel agents.

5. **Leads delivery:** Once the lead generation is done, all the leads are forwarded to the agent on the CRM dashboard provided by Tripoto. Through the dashboard, the agent can access the contact details of all the leads and manage their responses.

6. **Optimization:** Positive and negative feedback are forwarded to the marketing team. The team identify sources and analyses trends for the success or failure of the promotional campaigns and work towards optimizing the same for providing the best quality leads to the travel agents.

Delivering Value

The leads are delivered to a CRM dashboard where the agent can access the contact details of all the leads and mark their status to create a sales pipeline. The dashboard contains the features to inculcate lead basic detail, lead status, and comment section.

The collated data of the status marked and comments are available at the admin Dashboard at Tripoto from where the lead quality is analyzed and improved.

To help agents to never miss a follow up with any lead, a feature for scheduling the follow-ups is also there on the dashboard. The agent can choose a date and time to set reminders and will receive notifications on the dashboard and e-mails every morning for the tasks due on that day.

- **Sub-users:** The agents usually have a separate sales team that works on the leads. The owner or the sales head can assign the leads to each member of the sales team based on their competencies and strength areas.

- **Buy leads:** Thousands of fresh leads are available on the dashboard and can be bought by the agents online. The leads can be filtered through Destination, Departure City, Departure Date, and bought as per the agent's preferences.

Declining Partnerships for Tripoto

Even after assuring quality and generating leads from their end, the partner agents were constantly complaining about the poor lead quality and reliability of the leads given to them as they were not getting enough conversions. This was leading to escalated losses to the agents and further caused deterioration of relationships with partner agents for Tripoto. The company's management sensed that supply chain is not properly integrated so they started analyzing travel partner's requirements and lack from their side.

Few results of Partners' Requirement analysis:

1. **Lead quality:** In some cases, the leads did not respond positively when contacted by the travel agents. Disinterest of the leads in the packages offered by the travel agents cause high level of discouragement and dissatisfaction among the travel agents leading to loss of trust on Tripoto's product.

2. Conversion Rates: Some travel agents who were very active with their follow ups, and understood the lead's requirements were able to convert around 8 to 10 % of the leads. Some travel agents, even after receiving high intent leads were unable to convert them because of lack of these virtues.

3. Managing the Leads: Travel agents buy leads in large numbers ranging from 100 to 2000 per month. Managing these leads and following up with them becomes a tedious task for travel agents.

Diving Deeper To Find Root Cause

A thorough analysis of data of randomly selected destinations and associated travel agents was done in order to understand the agent's conversion rate to provided lead. {Exhibit 1} Detailed interaction was done with associated agents and at the end, the status of their problems and reasons to decline partnership were also analyzed by the company to find the root cause for increasing churn rates. {Exhibit 3}

It was concluded that the conversion rates for each destination were high for few agents whereas, for some agents, conversion rates were zero. The lead generation source for all the agents was the same but there was a huge difference in the conversion rates. This clearly indicated the difference in processes followed by the travel agents to cater to the leads and follow up with them.

For further study, the status marked for the leads by five clients was analyzed through the dashboard and their performance and processes were also analyzed. The duration for this data was taken from January to April. {Exhibit 2}

During the immersion, it was also observed that the issue was not completely the lead quality but conversion rates were being impacted by the poor performance of the travel agents on their part also, as they were not able to cater the leads properly and needs training on their sales process.

With this, the focus has shifted towards improving both internal and external processes for providing high quality leads to the agents and along with that, helping small and medium enterprises' sales teams to enhance their sales process for better conversion rates.

Solution Implemented To Improve External Process

A. Call Analytics:

Call Analytics is a feature through which agent will be able to call the leads from their business dashboard. At Tripoto, through technical efforts, the team captured all the details regarding each and every lead. This included:

- Time for each and every call
- Time gap between two follow-ups
- Response of the leads
- Agent's follow up process
- Agent sales pitch and communication quality
- Agent competencies and strength

Performance of five agents was analyzed from January to April to identify the exact issues. To improve their sales process, it was very important to track their daily activities

towards leads, provided by the company and hence Call Analytic Systems were enabled. Agents were given regular updates on how they can improve their sales process and empathize with leads to initiate a mutual trust and relationship, as in travel industry it is requisite for the agents to make their customers feel comfortable. This initiative revitalized the trust among the agents for Tripoto, increased their satisfaction and reduced churn rates for the company. To gain agents' loyalty, they were also provided with branding and social media promotions as an added benefit to their service term agreement.

Solutions Implemented To Improve Internal Process

A. Improving Supply chain of Lead generation

Even though various steps have been taken to provide best facilities to the Partners and promote their business growth, in some cases, their satisfaction becomes a challenge. To cater that, the below process is followed:

1. Client grievances and Feedback: The clients are contacted on weekly basis to understand the quality of leads provided or any other issues faced by them. The feedback is useful in understanding the client satisfaction levels and improve the operation according to the feedbacks.

2. Verification: Once the lead information is received, an OTP is sent to the individual for verifying the phone number. Once an OTP is entered, a verification automatic call (IVR Call) is sent to the user for confirming the interest of the traveler. A manual verification process is also followed to ask for user's requirement. The team also analyses the stage of the interest and classifies leads as low, medium or high intent lead.

3. Key Account Management team: The Account Management Team is formed which, stays in constant touch with the Travel Partners and identifies the challenges faced by them through regular feedback. They keep a constant check on the travel agents and examines the quality of their sales pitch, follow up criteria and packages. This examination is done through direct contact with the travel agent or by contacting the leads and taking feedback regarding their interaction with the travel agent.

4. Client Performance: An audit call is scheduled with the agents to understand their competencies. Later, the agents were rated on basis of the calls to identify the top performing agents. The lead generation campaigns for top performing agents are kept on highest priority and team constantly put in efforts to keep these clients satisfied and retain them for long term business.

5. User feedback analysis: The users receive three sets of feedback mails from Tripoto on a gap of 3 days after they fill up the query form. On basis of users' negative or positive feedbacks, agents' quality was determined.

6. Retention and churn analysis: The analysis is done every Friday for the client's order for whom will be ending in the coming week. These clients are pitched for renewing their campaigns.

A churn report is created on 1st of every month to analyze the retention rates and reasons for churn. The duration of analysis for the report is taken as one months and three months.

B. Creating Fixed Plans for Agents

As per the initial model of Tripoto, the company was providing leads at a cost per lead. The cost per leads varied as per agents’ requirements, total order placed, destination, etc. There was no fixed cost to anything causing a huge imbalance in the system and deliverable. Agents also had various other options to buy leads. These include Holiday IQ, Travel Triangle, Trip Shelf, etc. The leads provided by these portals are cheaper than the leads provided by Tripoto. Due to these reasons, many agents moved to other travel lead portals and sourced leads at cheaper prices and received similar conversions.

To increase the retention rate, the company later decided to change the revenue model from CPL, with a proposition to enhance the market presence. Hence the prices for each package were made fixed. The main strength of Tripoto was in its Content promotion because of the huge audience base on their platform. So as an added benefit, these plans focused more on providing branding to the agents than just leads.

All packages are for 2 months (starter is	Top Selling Plan				
	Starter	Bronze	Silver	Gold	Platinum
Cost (+GST)	₹15,000.00	₹25,000.00	₹50,000.00	₹100,000.00	₹225,000.00
Credits	3350	6250	13500	30000	60000
CRM Access	Yes	Yes	Yes	Yes	Yes
Dedicated Profile	Yes	Yes	Yes	Yes	Yes
Account Manager	No	No	Yes	Yes	Yes
Tripoto Insights	No	No	Yes	Yes	Yes
Packages Featured	1	3	5	10	20
Social Media				Facebook + IG	Facebook + IG

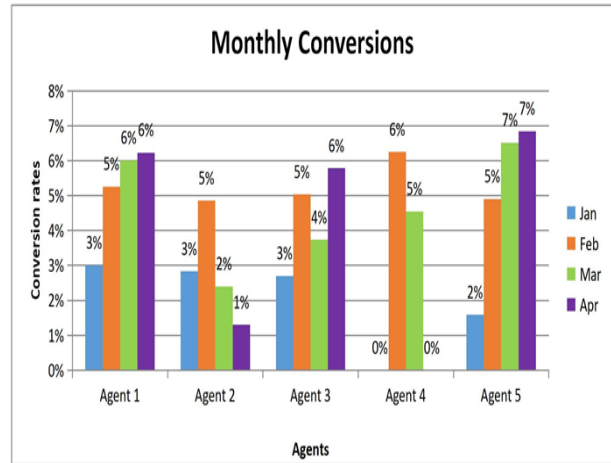
Promotion	No	No	IG Post	Post	Post & Story
Preferential Package Listing	No	No	No	Yes	Yes
Sponsored Article	No	No	No	No	Yes
API Integration	No	No	No	No	Yes
Presence	On Profile	Banner Ad on Selected Search Page for 2 weeks	Banner Ad on Selected Search Page for 1 Month	Banner Ad on 2 Selected Search Pages for 1 Month	Banner Ad on 5 Selected Search Pages for 1 Month
Benefits					
Cost (+GST)	₹15,000.00	₹25,000.00	₹50,000.00	₹100,000.00	₹225,000.00
Lead price	134 Domestic Leads	250 Domestic Leads	540 Domestic Leads	1200 Domestic Leads	2400 Domestic Leads
Conversion - 5% market standard	6.7	12.5	27	60	120
Avg PAX - 2	13.4	25	54	120	240
Business expected Avg. Pricing-12,000 (Standard)	₹160,800.00	₹300,000.00	₹648,000.00	₹1,440,000.00	₹2,880,000.00
Social reach	0	0	50,000	1,00,000	1,50,000 + Article reach
Average leads expected from social media	0	0	50	100	150

Fig 1. Fixed Plans for Travel agents (Company Info)

Conclusions

This study was carried out to look at the retention strategies adopted by Tripoto to decrease the churn rate. Initially, it was believed by the company that due to lead generation methods, the agents were not getting the good quality of leads. But later along with poor lead quality, it was also realized that agents were not performing well on their sales part. And hence the management decided to improvise the Lead generation method and also provide training to small and medium enterprises’ sales agents. As a solution, the management made the lead generation process more precise and after addressing all the issues raised by the agents, decided to shift the business model form CPL to fixed packages. The company which started with a basic lead generation model had shifted its focus to a promotional branding approach for the travel agents which led to a win-win situation and value creation for both the parties. Few key takeaways for Tripoto and agents were:

- The conversion rates are not only dependent on lead quality but also on the working process and follow up criteria of the agent
- The agents are working in small groups and are not aware of the proper processes the company should follow to gain high conversions and profits. There was a need to constantly support and train all the agents by analyzing their performance.
- An increase in retention rate and agents' conversion rates were observed on regularly training the agents.
- The company was not considering its major strength as its core competency. They were just providing leads that can be done through other portals as well. Tripoto has a very high number of social media followers and traffic on its website providing them the huge scope of branding. The plans and packages were modified from cost per leads to branding campaigns with leads as an additional product and not a core product. This gave the company an upper hand in the industry as no other competitor was providing these benefits



Exhibits (Company Info.)

- 1) Exhibit 1
- 2) Exhibit 2
- 3) Exhibit 3

