Project on

BUSINESS OPPORTUNITIES OF ONLINE STANDARDIZED CHAIN HOTEL IN BANGLADESH

(A COMPREHENSIVE STUDY ON OYO ROOMS)

Bangladesh Computer Council

Submitted to:

MR. RAHUL DATTA

Senior Trainer – Digital Marketing

LICT Project, Govt. of Bangladesh

For partial fulfillment of **Digital Marketing Certification** under **Foundation Skills Training**

University Name: University of Chittagong

Project on

"Business Opportunities of Online Standardized Chain Hotel in Bangladesh: A Comprehensive Study on OYO Rooms"

Project Submitted to **Bangladesh Computer Council** for partial fulfillment of **Digital Marketing Certification** under **Foundation Skills Training**

University Name: University of Chittagong

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STUDENT DECLARATION

I, **Saikat Das**, University Registration Number **11304112**, do hereby declare that the Project Report entitled **"Business Opportunities of Online Standardized Chain Hotel in Bangladesh: A Comprehensive Study on OYO Rooms"**, has been co-prepared by me as a part of a team, under the avid guidance and supervision of Mr. **Rahul Datta, Senior Trainer**, of LICT Project, Govt. of Bangladesh as the partial fulfillment of the requirement for the Digital Marketing Certification, under the course curriculum of LICT, Foundation Skills training, Govt. of Bangladesh.

The information given in this Project Report is true, complete and correct to the best of my knowledge and belief. It is my original work and not submitted for award of any other diploma / fellowship or similar titles or prizes.

Signature of the Student

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CERTIFICATE OF GUIDANCE

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Part 01

For Investors of Bangladesh

1.1 EXECUTIVE SUMMARY

OYO Rooms, India's Largest Branded Network of Hotels, is an online hotel aggregator for **standardized, affordable, and technology driven policies**; operating in **224 major business and travel destination** with **6500+ properties.**

OYO Works on 3P Model

OYO takes initiative to partner with the **Hotel, B&B, Guest House, Apartment, PG Owners, and Real Estate Owners**. Every single service provider is subject to certain benefits. OYO funded its capital through different series; from **SoftBank Group, Seqouia Capital, Greenoaks Capital, Lisghtspeed Venture, Venture Nursery** etc.

OYO promises to provide standardized facilities and same amenities across all of its rooms. It offers **different pricing for different segment** with different star category hotels, real estate, and apartments. It has an eminent **website and mobile app** for the booking system. OYO for Business is another facility to ensure **hassle free business trip booking**, manage expenses, and control the employees.

OYO accepts payment at hotel for less than three rooms and there's no limitation in prepaid booking. It accepts payment through **Visa Card, Mater Card, Visa Electron, Debit Card, Credit Card, Free-charge Wallet, Mobiwiki Wallet, Paytm Wallet, Payzapp Wallet, Net Banking** etc. For ensuring standard, it maintains **OYO Hotel Audit** Team.

OYO got **excellent business and employee growth** last year and thereafter. They hire young and energetic people. For the best customer acquisition and service, OYO works seamlessly round the clock.

1.2 BUSINESS MODEL

1.2.1 OYO – A Quick Sight

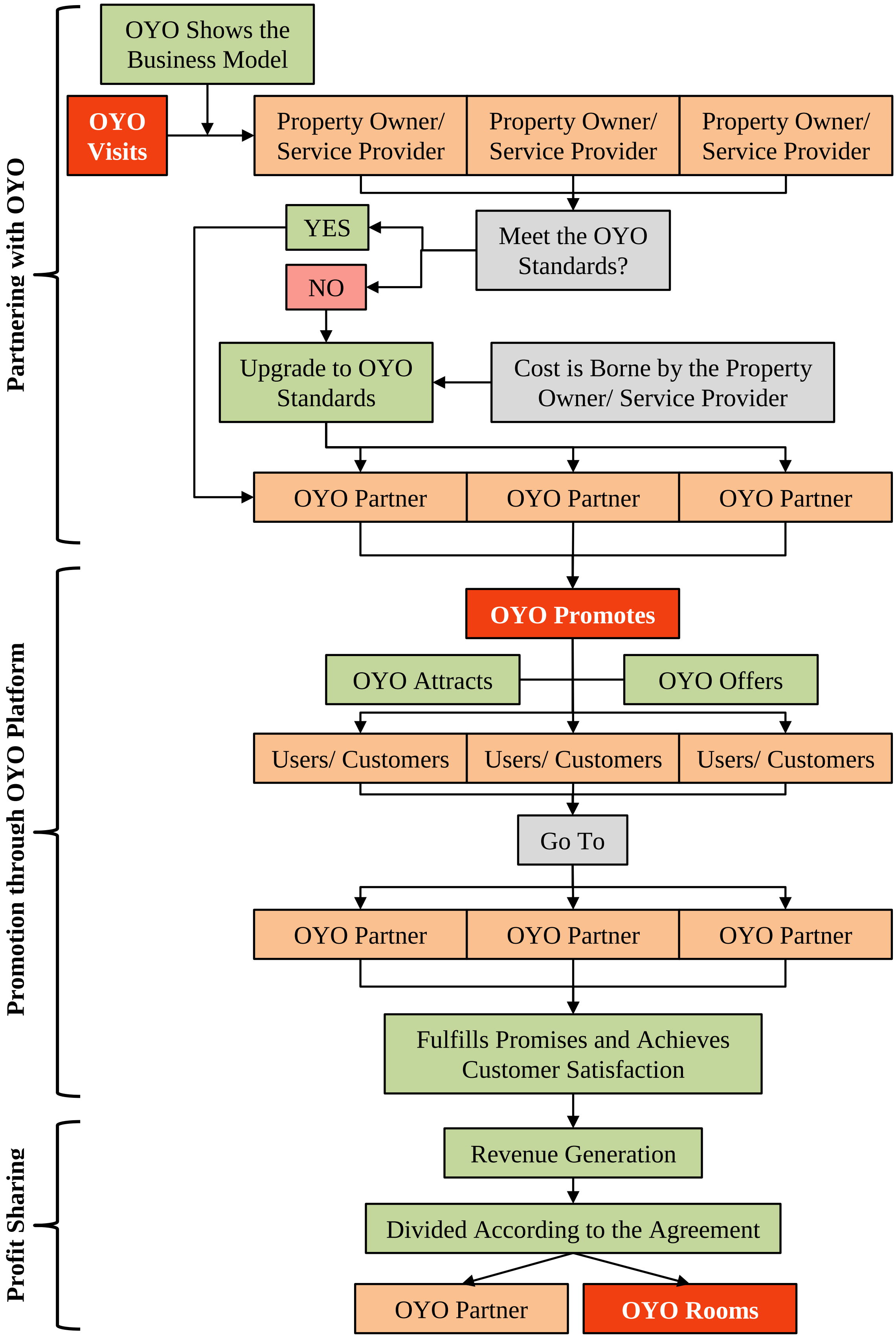
OYO ROOMS – Also Known as OYO

- **Tagline:** India's Largest Branded Network of Hotels
- **Company:** Oravel Stays Private Limited
- **Founder & CEO:** Ritesh Agarwal
- **Founded:** 2012
- **Headquarters:** Gurgaon, Haryana, India
- **Status:** Private
- **Industry Sector:** Hotels
- **Current Property:** 6500+
- **Operations:** In 224 major business and travel destinations.
- **Nights Booked:** 15,00,000
- **Employee Age:** Average 25
- **Calls Answered by 24x7 Customer Care Team:** 30,00,000
- **Website:** www.oyorooms.com

Promises Comfortable Delightful Stays:

- ✓ Free Wi-Fi
- ✓ AC Room
- ✓ Flat Screen TVs
- ✓ Round the Clock Room Service
- ✓ Trained Staff
- ✓ Customer Service Team (24*7 Call Center)
- ✓ Conferencing Facility
- ✓ Beds with Comfortable Spring Mattress
- ✓ Spotless Linen
- ✓ Clean Bathrooms
- ✓ Toiletries
- ✓ 6-inch Shower Heads
- ✓ Complimentary Breakfast
- ✓ A Beverage Tray
- ✓ Discounts

1.2.2 How OYO Works – The 3P Model



OYO Rooms, commonly known as OYO, is an Indian aggregator for standardized hotel rooms. The Aggregator Business Model usually involves organizing an unorganized and populated sector like hotels, taxis, etc. and provide the service under one brand.

Aggregator Business Model is a network model where the firm collects the information about a particular good/ service provider, make the providers their partners, and sell their services under its own brand. Since aggregator is a brand, they have to provide services which has a uniform quality and price. This is done through signing up a contract with the partners. The good/service providers never become aggregator's employees and continue to be the owners of the goods/services provided. Aggregator just help them in marketing in a unique and a win-win way. Terms usually include:

- Branding Terms.
- The standardized quality required by the aggregator.
- The Commission, or Take Up rate.
- Other terms depending on the industry and the aggregator involved.

As an Online Aggregator, in case of OYO Rooms, it does not own the hotels/properties but lists them under its name. But instead, OYO invests in marketing and management quality improvement for the hotels under its fold.

It has created a brand value for itself by assuring minimum standards to the customers. It has also created a market place for itself via various channels like: app, call center, online travel agencies, sales team, travel agents etc.

It's both a win situation for hotel owners, customers and OYO. Hotel owners get a brand name, marketing, sales etc., many of whom just don't have the network, knowledge or the budget for smart marketing, and they run empty. OYO helps them improve their yields. Customers get a standardized stay and OYO is able to multiply hotels into its platform in a lightning pace.

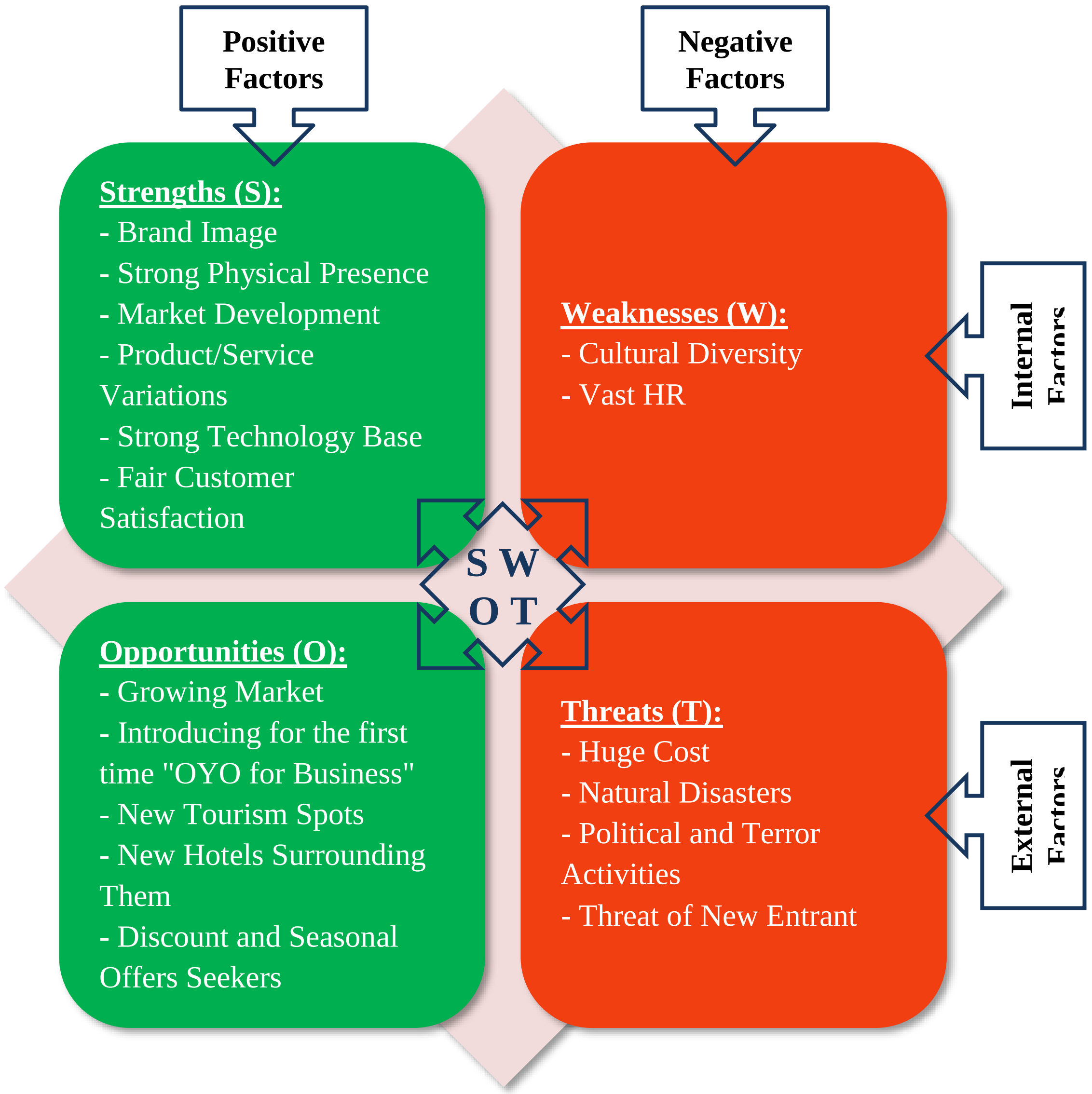
In long run OYO will have a pricing model where owners have to pay commission for OYO's brand. Prices are controlled by OYO, hence they can increase the prices after customer and hotel acquisition.

The 3P Model:

The way OYO works can be designed in 3Ps:

- **Partnering with OYO:**
  - ✓ OYO visits the hotel owner (property owner/ service provider) to show them how the OYO business model would help them to utilize the vacant rooms and achieve higher returns.
  - ✓ OYO investigates the hotel room standards. If it meets the OYO standards, then OYO makes them their partner. If it doesn't meet the standards, then OYO provides a detail standard checklist to be fulfilled by the hotel owner, and the cost will be borne by the hotel owner as an investment. Then they become OYO partners.
- **Promotion through OYO Platform:**
  - ✓ When the hotel owners become partner, OYO promote them with the OYO brand in the website, mobile app and other platforms.
  - ✓ OYO attracts the customer in different ways to pick up the rooms by providing different offers to the users/customers.
  - ✓ Users/customers takes the offers and become the customer of OYO partner.
  - ✓ OYO partner fulfills promises done by OYO, and achieves the customer satisfaction through proper services.
- **Profit Sharing:**
  - ✓ A higher return in earned from the rent of the rooms. Then this return/revenue is divided as pert the terms and conditions made earlier. OYO partner gets a portion of it, and OYO rooms get another portion.
  - ✓ OYO needs not only to up its scale and size to finally begin making money, it also has to bring in more stringent offline quality control mechanisms onboard to manage customer experience and keep the brand growing.

1.2.3 SWOT Analysis of OYO Rooms



Strengths (S):

- OYO has a huge brand image with high brand recall and visibility across India for the largest chain hotel networks.
- Strong physical presence in more than 200 locations across India.
- Entering into new markets across India and abroad, and have launched their business in Malaysia as a part of it.
- Offers a range of hotels of different star categories and prices to choose from.
- Technology driven problem solving which is a great aspect of this age.
- 15,00,000 awesome room nights booked with a fair customer satisfaction.

Weaknesses (W):

- As OYO operates in different parts of the country, they face problems to capture the cultural base of different people and region of the country.
- Managing the vast human resource is a great problem.

Opportunities (O):

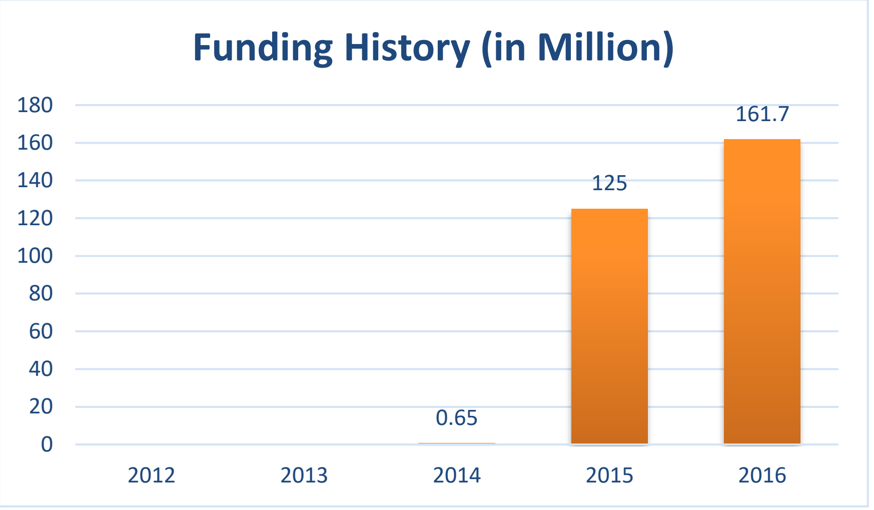
- Online Aggregator Hotel Business Model is still a new concept in different countries. OYO has an enormous scope to provide a standardized, affordable, and technology driven facilities through their hotel chains structure which they have created in India.
- First ever chain hotel aggregator to start "For Business". Through "OYO for Business", companies will be able to cut down their expenses by tracking expenses and invoices, ensure productivity, and pay at their convenient method anytime.
- New tourism spots are being built or developed around the country including historical places, endowed natural places, and artificial amusement parks etc.
- To support this tourism sector, new hotels are being built surrounding these places with different standards.
- Affordable hotel prices with discounting facilities is a great opportunity.
- The people of this country is prone to seasonal offers made by different organizations.

Threats (T):

- Cost of operation in hospitality business is huge which affect the overall hotel rates.
- Natural disasters are much common. Hospitality industry stays in uncertainty for such disaster.
- Political instability and terror activities has increased for the last few years. Not only expected rate of return but also the level of occupancy in the hotels and other properties has decreased in a great extent.
- Threat of new entrant is much higher here as the market is new to this segment. Few new companies are trying to grab this type of aggregator business.

1.2.4 Financial Model

1.2.4.1 Fund Raising:



Source: www.owler.com

Funding Date	Round	Amount	Investors
Aug 16, 2016	Equity	$61.7M	SoftBank Group Corp.
Apr 11, 2016	Series D	$100M	SoftBank Corp Seqouia Capital
Jul 14, 2015	Series C	$100M	SoftBank Corp Sequoia Capital
Mar 25, 2015	Series A	$25M	Greenoaks Capital Lightspeed Venture Partners
May 1, 2014	Unattributed	$650K	Lightspeed Venture Partners Sequoia Capital
Oct 15, 2012	Seed	Undisclosed	Venture Nursery

Source: www.owler.com

- OYO raised funding from various sources such as Venture Nursery in 2012, in May 2014, $650K; March 2015 raised $25 million from Lightspeed, Sequoia and others. After that in July 2015, $100 million from SoftBank. Then in April 2016, $100 million from SoftBank Corp and Seqouia; and in August 2016, $61.7 million from SoftBank Group Corp.
- Oravel Stays Private Limited, which owns and operates OYO Rooms, reported a turnover of INR 2.4 Crores in FY 2014-15, growing from a turnover of INR 51 lacs in the previous fiscal.
- They have seen a phase of exponential expansion in FY15-16 with two major funding rounds this year (OYO raised $100mn led by Softbank).

OYO's Shareholding Structure

Founders	Lightspeed Venture Partners	Sequoia Capital	Softbank Group	Greenoaks Capital	DSG Consumer Partners	Others
18%	19%	18%	15%	10%	4%	16%

1.2.4.2 Current Financial Scenario of OYO Rooms:

- OYO Rooms declared in February '16 that it has hit 1 millionth night bookings.
- Per room purchase cost is 1,000 and they are selling it at 1,200, giving them a handsome about 20% margin per room per night

- **OYO Rooms Revenues**
  - ✓ Room nights/year: 1,000,000
  - ✓ Gross Merchandise Volume (GMV): ₹1,200 per room per night – ₹120 crores per year (₹10 crores per month)
  - ✓ Margin @ 20% – ₹24 crores per year
  - ✓ Margin per month @ 20% – ₹2 crores

- **OYO Rooms Expenses**
  - ✓ OYO is also spending huge amount of VC raised money on advertising (online, TV, Radio and other mass media) and on other marketing campaigns as well.
  - ✓ OYO is spending big bucks on online advertising especially on Google as well, estimated around 1-2 crore per month.
  - ✓ Employee expenses:
    - Employees: 1,200
    - Salaries @ 25,000 per employee per month: ₹3 crores per month
    - Hotels: 4,500
    - Rooms (considering an average of 5 per hotel, half of OYO's claim): 22,500
    - Inventory Cost: ₹67.5 crore per month
    - Total Expense: ₹70.5 crore per month (excluding advertising, marketing and other OPEX)

1.2.5 Marketing Model - Offline and Online Marketing Strategies (7P)

Product/Service:

- OYO Rooms promises to provide the standardized facilities i.e. same amenities and the same awesome experience across all its rooms.
- OYO also offers luxury space as it has a service called OYO Premium where it provides luxury rooms to its customers.
- OYO Rooms claims that its target audience is divided between customers and consumers. Its customer ages between 21 years to 35 years while its consumer is between the age of 16 years and 65 years.
- OYO facilities include Clean Room & Washroom, Amenity Kit, Spotless White Bed Linen, Branded Toiletries, 6-inch Shower Heads, AC room, Flat Screen TVs, Free Wi-Fi, Complimentary Breakfast, A Beverage Tray, Discounts, 24*7 Customer Service Support etc.

Price:

Parameters	Standard	Premium	Elite	Apartments
Star Category	★★	★★★	★★★★	-
Stay Description	No Frills, Standardized Stay	Premium Ambience & Experience	Luxurious Ambience & Experience	Functional Stays with Home – like feel.
Price Band	`999	`1,600 - `3,500	> `3,500	`1,200 - `2,400
No of Properties	1831	1032	43	154
Ideal for	Young business travelers and Entrepreneurs	Value seeking couples & Mid-Senior Corporates	Experience seekers & Corporate Executives	Living away from home temporarily

- OYO offers affordable room prices that no other player in the budget segment offers.
- OYO provides different segment pricing for different classes of people of the society according to their income level.
- OYO rooms provides best service at discounted price.
- Festival Offers, Latest Offers, Bank Offers, Cities, Brands, Cash back Offers.

Place:

OYO Rooms is a mass brand that has born out of digital domain, so they took the offline mass media route besides the online presence. Sushil points that even though OYO is a digital brand, it needs to go to masses. "A large part of our audience resides in small towns and is still not tech savvy. So mass media is the only route to connect with them," adds Sushil.

Offline	It currently operates in 224 major business and travel destinations including Delhi, Kolkata, Mumbai, Chennai, Bangalore, Goa, Jaipur, Gurgaon, Hyderabad, Pune, Ahmedabad, Neemrana, Manesar, Mysore, Kanpur, Shirdi, Tirupati, Agra, Ludhiana, Chandigarh, Dehradun, Indore, Nashik, Rishikesh, Bhopal, Haridwar, and plans to launch many more.
Online	OYO's hotel rooms are available through OYO website and OYO app.

Promotion:

Offline	▪ Television Campaign: #AurKyaChahiye, #OneForEveryone ▪ News Ad
Online	▪ OYO Website ▪ OYO App ▪ Blog, OYO Official Blog ▪ SEO, SEM, Email Marketing, Mobile Marketing, Affiliate Marketing etc. ▪ Social Media Marketing: Facebook, Twitter, Instagram, Google+, Pinterest, YouTube, LinkedIn. Campaign: #Azaadi4me ▪ Online Word of Mouth Marketing: **"FRIENDS WITH BENEFITS (OYO Referral) - Each time you invite a friend, they get ₹1,000. When they stay in an OYO, you get ₹1,000".**

People:

- OYO has a team of more than two thousand employees who serve the customer request in different phases and places across India.
- Average age of all the employees: 25.

Process:

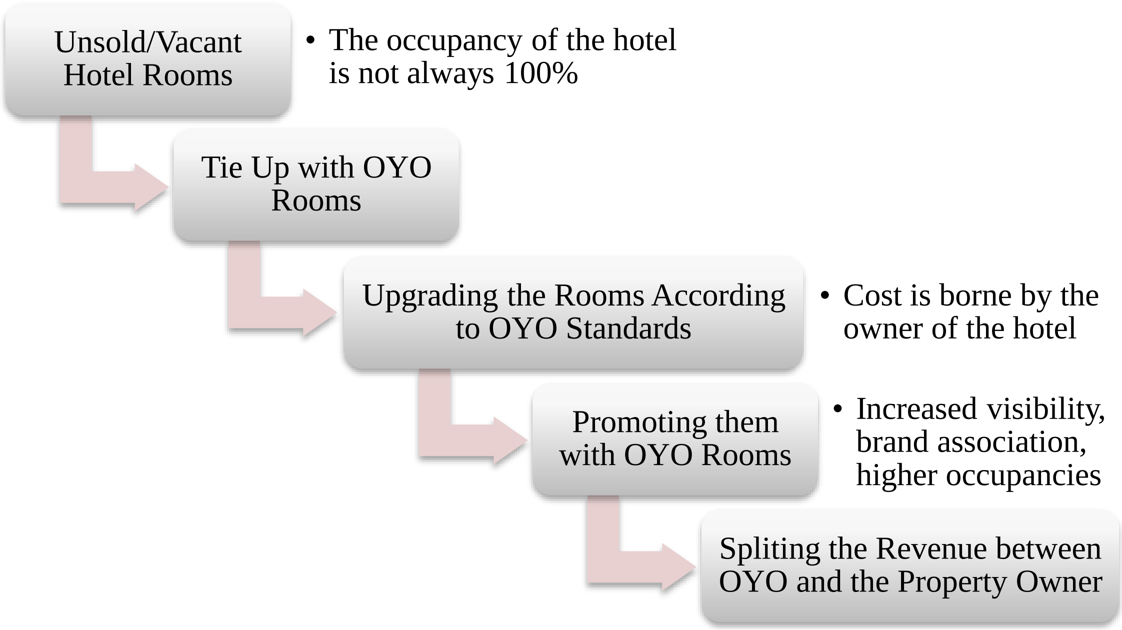
- OYO is technology driven, and uses technology to link all its functions and provide the customer a seamless awesome experience.
- OYO Online Booking, OYO App, OYO Tablets, OYO Cluster Manager App.

Physical Evidence:

- OYO is one of the leading companies in hospitality industries of India, and the standardization maintained across the country by OYO is overwhelming.
- OYO's clean room facilities, spotless white bed linen, branded toiletries, AC room, flat screen TVs, free Wi-Fi, complimentary breakfast, 24*7 customer service support etc. all these create an amazing experience for the customer.

1.2.6 Revenue Model

OYO's revenue earning model is not so different from other typical hotel chain. The complete procedure can be illustrated as follows:



- **Step 1:** Hotels always have an issue of unsold/vacant rooms. They are not always occupied by 100% utilization. OYO model is built to solve these issues.
- **Step 2:** OYO tells the hotel owners if they partner with them, then they will be able to utilize the unsold/vacant rooms. OYO would enter into a contract with the hotel giving them a minimum guarantee of their occupancy in an efficient way. This ensures that hotels in any case benefit from this partnership.
- **Step 3:** Partnering with OYO brings the requirement of refurbishing the hotel rooms according to a check list of standard services promised to the customers. The cost of this refurbishment is generally on the owner as an investment for the future ensured occupancy.
- **Step 4:** Through that investment owners get increased visibility, brand association, higher occupancies etc. All the hotels have OYO branding and are present on their website with attractive pricing (negotiated on behalf of user by OYO).
- **Step 5:** For all of this OYO charges a portion of the booking amount which is their revenue model. They basically earn exclusively from the volume of rooms sold. Then the revenues are split between OYO and the property owner as per their agreement.

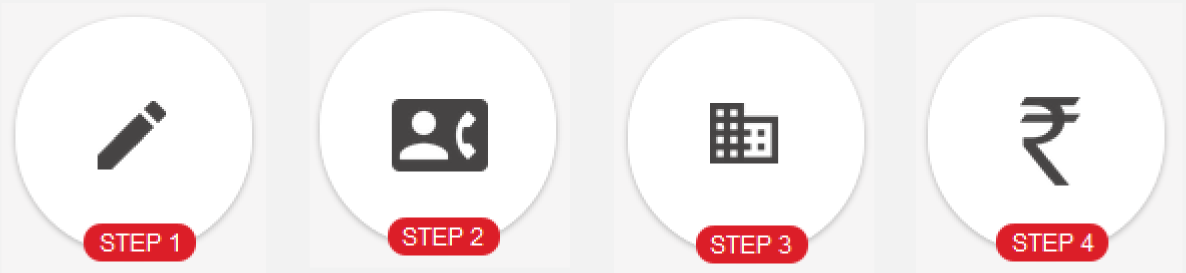
1.2.7 Owners Partnering with OYO Rooms

1.2.7.1 OYO ROOMS – For Hotels, B&B and Guest House Owners:

For Hotels, B&B and Guest House Owners, OYO provides an opportunity to get more business and maximize their revenue using OYO's extensive network. Through such network, their occupancy increases by a great extent. Benefits are as under:

- Weekly Payments
- Increase in Revenue
- 24x7 Support
- Access to Great Services

Registration Process:



Fill up the form	OYO representative contacts with the owners and take their property details	If property meets OYO standards, it'll be upgraded to OYO	Earn money without any hassle

1.2.7.2 STUDIO STAYS – For Apartment, House & PG Owners:

For Apartment, House & PG Owners, OYO provides an opportunity to earn higher rental income. OYO makes sure that their home is treated with utmost care. It also verifies the guests and helps the owners to earn more than renting these by themselves. Benefits are as under:

- Timely Payments
- Verified Guests
- Earn More
- Regular Upkeep

Registration Process:

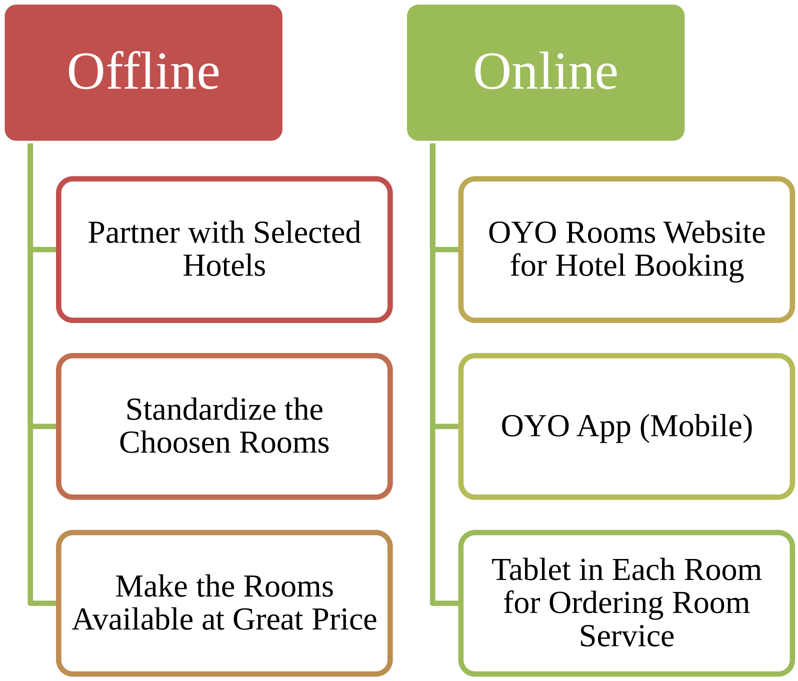
<u>1.2.7.3 OYO FLAGSHIP – For Real Estate Owners:</u>

For Real Estate Owners, OYO provides lease facilities with an opportunity to get hassle free returns on the real estate. OYO turns the abandoned property into a standardized property, ensures the property owners with new tenants, and provide the security with a long term agreement. Benefits are as under:

- No Brokerage
- 100% Maintenance
- Long-term Contract
- Regular Payments

Registration Process:

1.2.8 Technological Model:



1.2.8.1 OYO's Online Booking Procedure:

OYO Rooms can be booked in various ways such as through the OYO Rooms App, through the www.oyorooms.com website, and over phone by calling 9313931393. In addition, one can book OYO Rooms through any of their partner online travel agents.

OYO Rooms is currently redefining its value proposition around the technology. It deployed technology in all 4 aspects that are

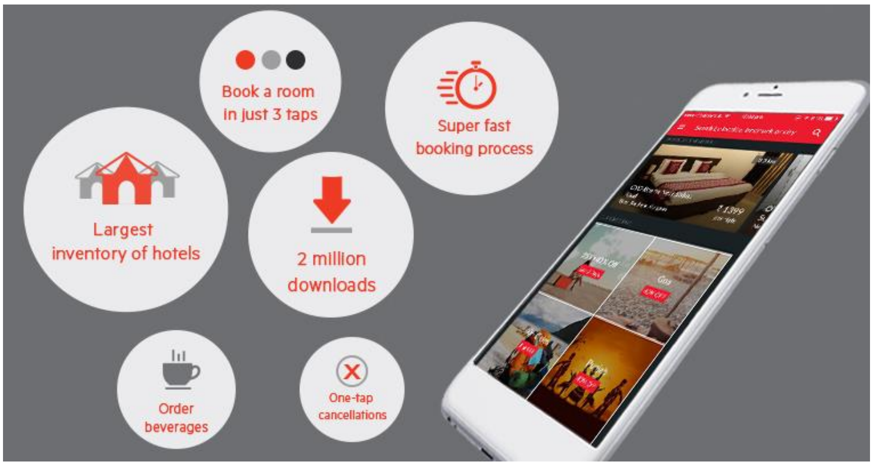
- Consumer facing
- For the field agent
- Analytics
- Operations.

<u>Locating OYO Rooms Hotel that Have Been Booked:</u>

There are many ways to locate OYO:

- On the app, please tap on "Get Directions" on the "Upcoming Booking" card.
- After a booking is created, one will receive an e-mail with the address of the property.
- After a booking is created one will receive a confirmation SMS that has a map link of the OYO booked as well the address of the OYO property.
- One will also receive an SMS with directions to reach the hotel booked on the day of the check-in.

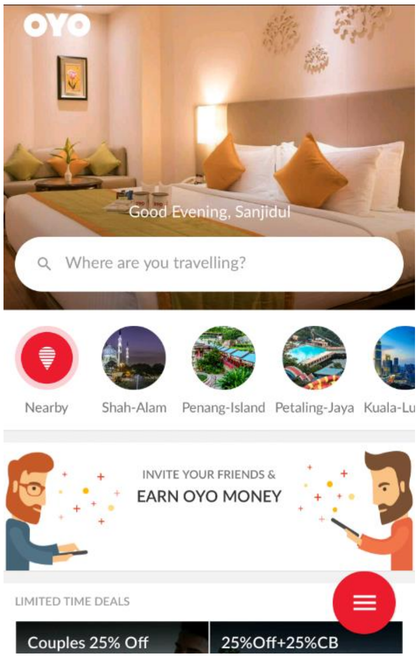
<u>1.2.8.2 OYO App:</u>



OYO App's first version was launched on 22nd April, 2015 on the Android Play Store. The iOS version went live on 1st May, 2015 on the App Store. The app grew to over 2 million downloads in less than 7 months of its launch and a significant share of the business now comes through it.

OYO Rooms came into existence to solve the problem of predictable and affordable stays. It takes a lot of effort to find a good hotel at pocket friendly prices and OYO wanted to make it easier for consumers to do so. OYO build an app that could get the hotel booked in (almost) no time and make it feel effortless. The benefits are worth mentioning.

- **<u>Shorten the Booking Funnel:</u>** OYO App allows to make a booking in just 3 taps including the tap to open the app and cuts down on the booking steps and time over other hotel booking apps.



- **<u>Mandatory Sign-Up/Sign-In:</u>** OYO wanted to separate the sign-up, data entry and user authentication steps from the booking flow to retain the seamlessness of the booking experience, even for the first time booker. To mitigate the impact, they tried to make the sign-up process simpler by eliminating the need of a password and using One Time Password (OTP) as the authentication mechanism.
- **<u>Payment to be Done Post Booking:</u>** This was a deviation from the norm again. Unlike most sites/apps, OYO decided to make a linear flow by first creating a confirmed booking for the customer and then providing an optional step to make a payment.
- **<u>Dynamic Home Page:</u>** OYO's home screen is quite dynamic. It is their karma to help the customers to get a better stay experience and they want to support them at all steps. OYO app's home page is a cards based layout where one can see the bookings and get some quick action buttons for different relevant purposes.

<u>1.2.8.3 OYO Tablet:</u>

- **<u>For Hotel Owners:</u>** A tablet app for hotel owners that allows them to maintain room status, room service request and also gives better idea of their own inventory and OYO Rooms better visibility and data about the hotel.
- **<u>For OYO Customers:</u>** In each room in some of the OYO Rooms Hotels customers are provided with a tablet to order room service.

<u>1.2.8.4 OYO Cluster Manager App:</u>

OYO Audits to the partner hotels are conducted by Cluster Managers, who we lovingly called the OYO Supermen. When he joins the organization, he engages daily with each of the 30+ OYO hotels that are assigned to him and is empowered by the OYO Cluster Manager App that helps him plan his work.

1.2.9 Corporate Bookings – Business Partners – OYO for Business

Business dealings are so important for the company itself and the employees conducting these. These dealings and trips take place across different cities and places of a country. OYO provides a specially crafted service portal for business travelers. Registering with OYO for business gives unmatched benefits as under:

- **Book through App:** India's first app-enabled corporate booking solution. Employees can book by switching to the corporate mode on the OYO app.
- **Set Limits for Employee Travel:** Set travel and expense limits for employees. With pre-approved bookings do away time-consuming processes.
- **Manage Expense:** View, sort and manage invoices for every trip made at the company's expense through a centralized process.
- **Easy Tracking:** Track bookings and the company account via your personalized dashboard.
- **Save Big:** Save up to 50% on employee travel and accommodation.
- **Go Green:** Get rid of tedious piles of files by going paperless with auto generated invoicing.

1.2.9.1 How OYO for Business Happens:

While sending employees to business trips, business has to bear a lot of hassles to manage those trips. OYO for Business assists managing employee business trips in a simple way.

- **Quick Signup:**
  1. Signup with company details and you are good to go.
  2. Load money into your account to book rooms instantly.
- **Manage Employees:**
  1. Invite and manage employee travels via dashboard.
  2. Control employee access and budget allocations.
  3. Employees can start booking on their own with toggle of a button.

- **Enjoy Hassle-free Accounting:**
  1. Use dashboard to track hotel expense details and invoices.
  2. Consolidated expenses and ability to download reports anytime.

1.2.10 Customer Relationship Management (CRM)

In a highly customer facing hospitality industry, OYO Rooms first focuses on creating a highly efficient hotel booking system for the customers. In ensuring efficient hotel booking system and managing customer satisfaction, OYO has taken the following steps:

- Introduced an app that allowed hotel bookings to be done within 2 steps in 2015.
- To give the customers feelings of staying at home, OYO rooms has introduced a new feature that enables OYO app to establish instant Wi-Fi connectivity when customer check into OYO room.
- Has an intensive standardization process setup in which their sales forces visit every hotel to collect data and pictures and to filter out only those hotels that OYO Rooms trusts to provide good services to their customers.

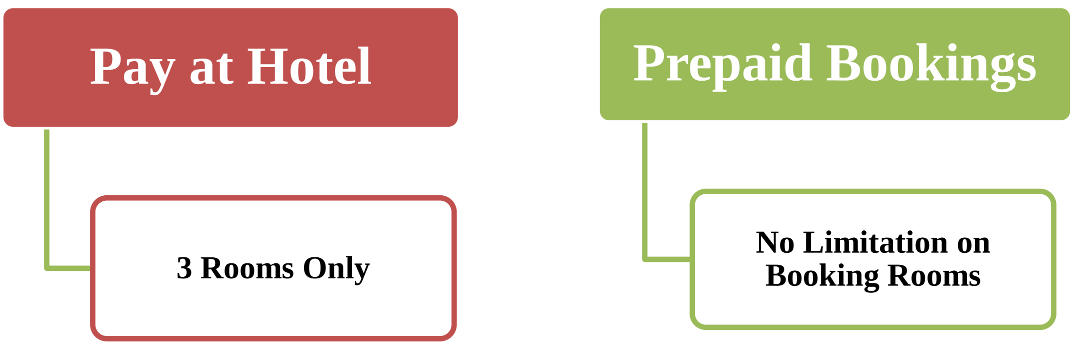
- OYO Rooms has also come up with an app for the standardization process to collect data, pictures and filter out the best hotels.
- Sales reps across the cities are given tablets which have an app that provides parameters on which the hotel can be evaluated.
- Has come up with a tablet app for hotel owners that allows them to maintain room status, room service request and also gives better idea of their own inventory and OYO Rooms better visibility and data about the hotel.
- In each room in some of the OYO Rooms Hotels customers are provided with a tablet to order room service.

- OYO experimented a new model of collaboration in software development called the "Solver Teams" to introduce new products and features using this methodology.
- OYO developed an app for the employees to be able to book a hotel for herself, in which the employee can switch between the personal and the corporate accounts. With this the booking turnaround time has come down by 98%.
- For Business, OYO provides a company account feature where a corporate can load money in advance. When this is done all the employee bookings can only use the money uploaded and the admin will get alerts when 50%, 80% and 100% of that money is used up. This will give the admin time to act if the consumption is at a faster rate than expected.

OYO wants to make sure that they take care not only of the booking part but also the stay part of their customers. With the help of technology, OYO is trying to create a differentiation for themselves.

1.2.11 Payment Model

- OYO Rooms uses third party payment providers to receive payments from User.
- OYO Rooms takes utmost care to work with third party payment providers, but does not control their systems, processes, technology and work flows, hence cannot be held responsible for any fault at the end of payment providers.
- PayPal Provides Secure Payment Method to OYO Room Customers.
- Accommodation via the payment mode provided on the Website. Once the reservation has been confirmed, OYO Rooms will debit the usage fee from the payment mode selected by the User.



- **Pay at hotel** provides you with the flexibility of paying when you reach hotel, but the number of rooms that can be booked with pay at hotel is limited to 3 rooms only. Pay at Hotel is not available at all the hotels due to the high demand.
- On the other hand, **Prepaid** lets you book as many rooms as you want and the payment has to be made at the time of booking only.

Payment

Visa

Master Card

Visa Electron

Credit Card

Freecharge Wallet

Mobikwik Wallet

Paytm Wallet

Payzapp Wallet

Net Banking

Debit Card

Get Payment Voucher

The payment voucher is sent automatically to the customers registered E-mail ID once he/she checkout. One can also request it through bookings@oyorooms.com in case one has missed it.

Get the Invoice for Stay

The invoice for one's stay will be provided by the hotel during checkout.

1.2.12 Early Check-In and Late Check-Out at OYO

Early check-in (before 12 noon) and late check-out (after 11 am) are subject to room availability and chargeable.

1.2.12.1 Early Check-In (Subject to Availability):

The standard check-in time is 12 noon. Early check-in is subject to availability and cannot be confirmed in advance. Extra charges will apply as per the below policy:

Check-in Time	Early Check-in Charges
Before 6 AM	100% charges for one-day payable as per room rates of the previous day
Between 6 AM and 10 AM	30% charges payable as per room rates of the previous day or INR 500, whichever is higher
Between 10 AM and 12 Noon	Complimentary

The above does not include charges for breakfast.

1.2.12.2 Late Check-Out (Subject to Availability):

OYO's standard check-out time is 11 AM. Late check-out is subject to availability and cannot be confirmed in advance. Extra charges will apply as per the below policy:

Check-out Time	Late Check-out Charges
Between 11 AM and 1 PM	Complimentary
Between 1 PM and 5 PM	50% charges payable as per room rates of the next day or INR 500, whichever is higher
After 5 PM	100% charges payable as per room rates of the next day

1.2.13 Booking Cancellation & Refund Procedure at OYO

OYO do not charge cancellation fees for bookings cancelled within 10 minutes of creating the same booking. Any amount paid will be refunded. The cancellation process is simple to make sure with a quick confirmation and fast refund. OYO's standard check-in time is 12 noon.

For Bookings up to 3 Rooms:

Cancellation Time	Cancellation Fee
24 hours or more prior to check-in time	Free cancellation (100% refund)
Less than 24 hours before check-in time	One night's booking amount

On the date of check-in:

In case one decide to cancel a booking after check-in time or do not show up at the hotel, charges for the first two nights or the complete booking amount, whichever is lower, shall be deducted.

Mid Stay Cancellations:

In case one decide to shorten his/her booking post the check-in date, one will be charged for the next 24 hours after the official cancellation. Money for the remaining nights will be refunded.

For Bookings of 4 or More Rooms:

One needs to pay at least 25% of the booking amount as advance to make a booking for 4 or more rooms.

Cancellation Time	Cancellation Fee
30 days or more prior to check-in date	FREE Cancellation (100% refund)
Between 15 to 30 days of check-in date	50% advance amount
Less than 15 days of check-in date	100% advance amount

On the date of check-in

In case one does not show up at the hotel, no refund is applicable on the booking.

Mid Stay Cancellation

In case one decides to shorten his/her booking for 4 or more rooms post the check-in date, no refund is applicable on the booking.

How to Cancel:

One can cancel his/her booking using OYO's website or mobile app. S/he can also call on +91-9313931393 to cancel the booking. The applicable refund amount will be credited to him/her within 4 working days. However, it may take an additional 3-14 working days to reflect in the account, depending on the processing time taken by the bank. OYO reserves the right to debit from OYO Money account, in case of cancellation amount being higher than money already paid by customer.

Refund Procedure for Cancelled Bookings:

The amount gets automatically refunded to the source within 7-12 working days if one has a prepaid booking. If in case one does not receive the refund in said timeframe, do write in to OYO at support page or get in touch with us at OYO 24X7 guest support helpline. However, all refunds for cancellation are subjected to OYO's cancellation policies.

1.2.14 OYO's Hotel Audit – Maintaining the Standards

Starting a hotel chain business and being the best of that kind needs managing every single activity with much accuracy by ensuring the best customer experience, from the booking process to the check-out. They must ensure that the customers get a predictable experience each time. One of the very important processes which is critical to this is the audit of the hotels.

- Audits are conducted by Cluster Managers (OYO calls them OYO Supermen). Each OYO Superman takes an oath of delivering superior customer experience when he joins the organization and is available 24×7 to attend to the guests.
- OYO believes in measuring customer experience to the smallest of details. Every week the Cluster Manager audits the hotels and each of the rooms on the basis of a detailed questionnaire of over 160 points that determine customer experience.
- The audits start by switching on the appliances like AC, TV, geyser to check if these are working properly. The audits also focus on the cleanliness of the room, the efficiency of Wi-Fi, the condition of appliances to the minute details like whether the in-room amenities have been placed at the right place, the beds have been made perfectly, etc.
- The audit process is not just a data collection exercise. Every question answered by the Cluster Manager drives a certain action either by the Cluster Manager himself, the hotel owner, the hotel staff, the OYO hospitality training team or by our property management team.

To sum up, the audit process carried out by the Supermen is one of the most important things that go behind delivering great customer experience.

1.3 BUSINESS TIMELINE

- **May 2013** – OYO Launched in Gurgaon
- **August 2014** – Series A Funding Received
- **March 2015** – Series B Funding Received
- **April 2015** – OYO App Launched
- **July 2015** – Series C Funding Received
- **August 2015** – OYO Forays into 100th City
- **September 2015** – New OYO Logo and Look Launched
- **January 2016** – OYO Launched in Malaysia
- **January 2016** – OYO Hits 1 Million Check-Ins
- **February 2016** – OYO Partners with IRCTC
- **February 2016** – Ritesh Agarwal Included in Forbes' 30 Under 30 List

1.3.1 Business Growth

From a single hotel in May 2013 to over 6500+ hotels at present, OYO has been an inspiring journey from a smart idea to India's largest branded network of hotels with the dream of becoming the world's largest branded network of hotels.

2700+ organizations check into an OYO daily starting from small organizations to giant ones and these are growing every day.

1.3.2 Employee Growth

OYO Rooms, India’s largest online hotel aggregator, started in 2013 with only just one property has now grown bigger than ever before. It had a terrific ride since its beginning and even did not imagined the it would grow till today.

Earlier it was confined to just 1 city and now it is serving in more than 200 cities across India, with 6500+ properties and around 50,000 rooms. According to Ritesh Agarwal, they went from Gurgaon to Srinagar to Shillong to Bharuch to Alapuzzha. They went to places, to towns, to streets where they didn’t even think they would see an OYO sign in their wildest dreams. And, behind all these, there is a team running the whole operation.

At the beginning, Ritesh Agarwal himself used to be the CEO, Operation Manager, Negotiator for Hotel Rooms, the one who takes the order, and everything else was done by himself. Later on with the growing concern of OYO Rooms, a team was developed with young, energetic, courageous people whose average age is around 25.

Operating in over 200 cities and 6500+ hotels certainly needs a huge team work. Even after very hard work by a team at international market, OYO checked into Kuala Lumpur in Malaysia to be there in the abroad market for the first time.

Ritesh Agarwal is the Founder and CEO at OYO Rooms. The company which only consisted by 1 person, is now have around 2000+ motivated individuals, 500+ reservations employees. These individuals are from top colleges like IIMs, IITs, Harvard, ISB etc. According to Ritesh Agarwal, their family has grown bigger but it's still as close-knit as it always was.

1.3.3 Operational Growth

- OYO Rooms is India's largest network of branded hotels. OYO is a pioneer of economical and comfortable stays webbed across metropolitan cities and hinterlands of India as well as out of India. In January 2016 OYO was launched in Malaysia.
- It has been a fast operational growth for OYO, which began operations in 2013 from one city – Guragaon. Today it claims to various partners, 6500+ hotels in over 200 cities, booking close to a million room nights a month. Quarterly cohort analysis puts the repeat rates at 20 to 25 per cent. The year the team stayed in Gurgaon, it ensured that hotel occupancies, reviews and repeat rates increased.
- After the market validation in Gurgaon, the team decided to scale up and from January 2015, began to expand to other cities, starting with Bengaluru, Mumbai and Delhi.
- By August 2016 OYO had already raised rounds of investment from SoftBank Group Corp., Seqouia Capital, Greenoaks Capital and Lightspeed Venture Partners These investments went a long way in helping it scale rapidly across the country and even look at the Southeast Asian markets.
- Till date, OYO had touched 224 cities. The number of hotel tie-ups, till date rose to 6,500+. But such overwhelming scale and pace brought their own challenges and OYO began face problems and rising customer complaints.
- OYO Rooms today crossed an important milestone as it became India's largest budget hotel chain. OYO Rooms launched its mobile app that promised a hotel room booking in less than 10 seconds. The OYO Rooms mobile app is also the world's first personal room service app that allows guests staying at an OYO to order room service directly from their smartphones. The app crossed more than 2 Million downloads in less than 7 months of its launch.
- Available on Android and iOS platforms, more than 15,000 bookings have been made through the OYO Rooms mobile app within a week.

- Most of the OYO branded hotels witness more than 80% occupancy and customers love those. It is their trust that has given OYO the confidence to continue to grow at such a rapid pace.

1.3.4 Customer Acquisition

OYO Rooms offers an unmatched proposition to its consumers at affordable prices that start at Rs. 999. As a brand, OYO promises comfortable delightful stays that includes an AC room, complimentary breakfast and Wi-Fi with 24*7 customer service support. Hotel owners that partner with OYO Rooms see a significant increase in occupancy levels and become part of a brand that is recognized and loved by travelers nationwide.

Year	Property	Number of City
May, 2013	1	1
June,2013	3	2
July, 2014	13	6
January, 2015	72	18
December, 2015	4200	150
2016	More than 6500	224

OYO has increased a huge number of properties in 224 numbers of cities on demand of customers. Eventually, with the increased number of tie-up with property and city, the customer acquisition has also been increased in a great extent.

As a leader, OYO Rooms has created a new paradigm in the hospitality sector. For providing continuous services to the customer's team OYO is working 24*7 every day. The customer care service members answer 30,00,000 call 24*7 for the better customer acquisition and support. Their customer repeat rate is so high bounce rate is low. Their customer acquisition rate is close to 100 times of starting time now.

Part 02

For Foreign Investors

2.1 EXECUTIVE SUMMARY

As always spoken, Bangladesh is a land of rivers and greenness. Tourism sector is mainly based on endowed natural places here. Facilities like hotels and other businesses are developed around these places. A proper organization is yet a dream in this hotel sector.

Hotel aggregation business is highly potential in this country through FDI. Since different FDI investment incentives and facilities are provided by the government in FDI and hi-tech industry, a hotel business like OYO Rooms may be a game changing in this market.

The tourism sector has **4.7% total contribution in GDP** (2015), **4.1% (2,346,000 jobs) total contribution in employment** (2015), and **1.2% of total investment** (2015). Considering the facts, Bangladesh has a strong evidence of success to invest in this sector. But the sector also needs proper management of political, social and legal factors which are factually a bit unstable in this country. Investment in any sector through **high-tech is always appreciated for the materialization of the Vision 2021 of Digital Bangladesh**.

Jovago is one of the leading competitors in this country. They have 484 properties. Besides, **Hotel.com, Agoda, Booking.com, Goibibo.com, TripAdvisor** have 100+ properties individually in this country.

Bangladesh ranges **number of 3 star, 4 star, and 5 star hotels**, along with many **semi-standardized and non-standardized hotels**. However, according to report, around **500,000 foreigners** visit this country every year who are mainly business officials looking for standardized hotels and apartments. Also, the citizens visit in different places of the country in different festivals and vacations.

The road to investment is easy in this country with few ready-made strategic locations and facilities to partner with. People are also used to different online marketing fronts along with offline marketing fronts.

2.2 BUSINESS OPPORTUNITIES IN BANGLADESH

2.2.1 Why Invest in Bangladesh?

Bangladesh is a winning combination with its competitive market, business-friendly environment and cost structure that can give you the best returns.

- Industrious low-cost workforce
- Strategic location, regional connectivity and worldwide access.
- Strong local market and growth
- Low cost of energy
- Proven export competitiveness
- Competitive incentives
- Export and Economic Zones
- Positive investment climate
- Risk factors of FDI are the minimum in Bangladesh.
- Bangladesh has an open, market based economy led by a vibrant and innovative private sector which provides the main stimulus to its growth.
- Bangladesh has outstanding records in human rights.
- Movement of capital to emerging markets like the ones represented by countries of south Asia is likely to be profitable with no added risks.
- Goldman Sachs has identified Bangladesh as one of the next big eleven emerging markets.

2.2.2 Foreign Direct Investment (FDI) Guideline

2.2.2.1 Foreign Direct Investment in Bangladesh:

- FDI will be encouraged in a high-tech, innovative industries that have potential for skill and technology transfer
- 100% foreign equity investment is allowed
- Prospective Foreign investors may be considered for citizenship with a minimum thresh hold of US $ 500,000 or by transferring US$ 1,00,000 to any recognized FI (non-repatriable)
- Foreign Investors will avail same facilities in terms of Tax Holidays, Royalty payment, Technical-fees
- 100% repatriation is allowed, if they reinvest their repatriable dividend or earned profit, this will be treated as new investment
- No restriction of issuing Work Permit for skilled foreign professionals
- In respect of foreign investment in Thrust sectors, preference will be given for SME investors when allotting plots in the Bangladesh Small and Cottage Industries Corporation (BSCIC) Industrial enclaves/Economic Zones
- Investment by National Board of Revenue (NRB) will be treated as FDI
- Steps will be taken to protect IPR in respect of new goods and formulate, ICT Hi-tech products, design, processing and production
- Special preferences will be given for setting up High-tech capital-intensive industry on special occasions with the object of materializing the vision of digital Bangladesh

2.2.2.2 Legal Framework for Foreign Investment:

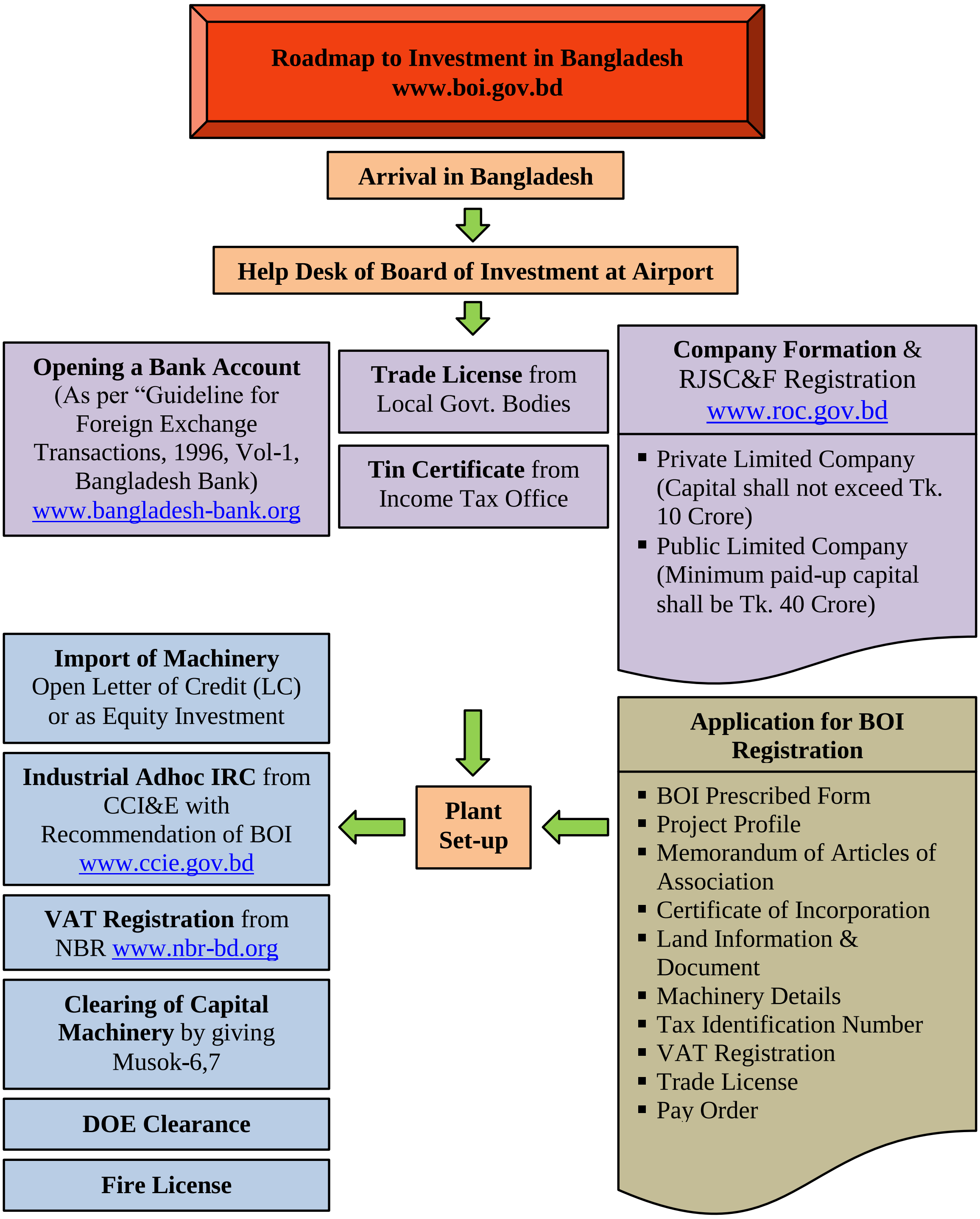
Investment in Bangladesh is well protected by law and by practice. Major laws related to private investment-both foreign and local-are:

- The Foreign Private Investment (Promotion and Protection) Act of 1980
- The Investment Board Act of 1989
- The Companies Act 1994
- The Industrial Policy 2010
- Policy and Strategy for Public-Private Partnership (PPP), 2010

In addition, foreign investors are required to follow the regulations of the Bangladesh Bank and the National Board of Revenue for taxation and customs matters.

2.2.3 Roadmap to Investment in Bangladesh

Implementing a private sector industrial project in Bangladesh either local, joint venture or 100% foreign follows a rather simplified process. Once an investor arrives to do business in Bangladesh, the first thing is to have relevant, sufficient and reliable information on the investment and business climate, opportunities, competitive strengths, industry structure etc.



The Board of Investment (BOI) is the government agency responsible for promoting business opportunities in Bangladesh to investors everywhere. They are there to facilitate the process from first enquiry through registration to implementation and beyond. They can do the following for the company:

- Help with information tailor made to the business area.
- Advise about the best place to locate the business.
- Introduce the company to the most relevant organizations, government agencies and BEPZA, the agency responsible for the export processing zones (EPZ).
- Help the company to register the investment intentions with the BOI (unless the investment qualifies to be best located in an EPZ), so that the company is eligible for all the various incentives on offer it needs.

Following shows the five basic steps to start a business in Bangladesh.

Step 1: Information Searches and Registration:

- There are many information sources. These days the company will probably start with the internet. BOI can also help and suggest other government agencies, chambers of commerce, and professional associations, international organizations such as the World Bank, Asian Development Bank, UNCTAD and IFC. There are independent consultants too.
- Register the company's intentions. Investors are advised to apply to the BOI for registration as early as possible in order to benefit from the many incentives and tax concessions available. The application form can be found online at this website.

Step 2: A Fact-Finding Visit:

- Make a physical verification of the company researches by visiting Bangladesh. Make the company's own travel arrangements or let BOI arrange things for the company and benefit from their Welcoming Service.
- Business travelers may request a visa for limited or multiple entries which can vary from one month to five years. Given certain conditions there is also the possibility of a landing permit and visa on arrival. BOI or the Bangladesh diplomatic mission in the company's country can advise it on this.
- Counseling. On arrival investors can take advantage of in-depth BOI counseling. Professional investment and business counsellors can offer advice and practical assistance over the phone, via email or fax or, best of all, at a personal meeting in the BOI offices here in Dhaka, Chittagong, Sylhet, Rajshahi, Khulna and Barisal.

Step 3: Getting Started:

- The company will need to set up an appropriate company structure. By this stage it will know if it is going to operate as a branch/liaison representative office (or Buying House) or if it will be establishing an industrial project. This is relevant to the type of business structure it will then need to form.
- Incorporation. Business in Bangladesh can be carried out by a company formed and incorporated locally or by a company incorporated abroad but registered in Bangladesh.
- The incorporation or registration is done by the Registrar of Joint Stock Companies and Firms (RJSC&F).
- Companies may be private or public limited companies or unlimited companies. In establishing a place of business of a foreign company, the company has to be registered with the RJSC&F as the place of business. Such registration is required in respect of capital issue and obtaining clearance from the Bangladesh Bank.
- To open or extend a branch/liaison representative office of a foreign company, the company has to apply to the BOI.

Step 4: Business/Plant Set-up:

BOI can help with the following:

- Obtaining industrial plots.
- Approval of foreign loans, supplier's credit, PAYE schemes etc.
- Obtaining utility connections: water, gas, electricity, phones.
- Registration for certification for importing raw materials.
- Work permits for foreign nationals and key staff.
- Registration with the Factories Act which regulates work conditions.
- Registration with environmental legislation.
- Remittance of royalty, technical knowhow and technical assistance fees.

Step 5: Commercial Operation:

- After starting commercial operations BOI will be following up with what the company needs subsequently.
- Investors need to a submit half-yearly performance report to the BOI on production and employment in their projects. Any changes to the information provided in the registration should be indicated to the BOI.

2.2.4 Government Support

2.2.4.1 Investment Incentives:

In order to encourage the inflows of FDI the government of Bangladesh offers one of the most liberal investment policies and attractive packages of fiscal, financial and other incentives to foreign entrepreneurs in South Asia. Major incentives to stimulate private sector direct investment are listed below:

1. **Tax Exemptions:** Generally, five to seven years' tax exemptions are available for many business investments. However, for electric power generation tax exemptions are provided for up to 15 years.
2. **Duty:** No import duty is applicable for export oriented industry. For other industries it is 5% ad valorem.
3. **Income Tax:** Double taxation can be avoided in most cases as the country (Bangladesh) benefits from many bilateral investment agreements. Exemptions of income tax up to three years for the expatriate employees in industries are specified in the relevant schedules of the income tax ordinance.
4. **Remittances:** Facilities for full repatriation of invested capital, profits and dividends are the norm in most situations
5. **Exit:** An investor can wind up an investment either through a decision of an annual or extraordinary general meeting. Once a foreign investor completes the formalities to exit the country, he or she can repatriate the net proceeds after securing proper authorization from the central bank (Bangladesh Bank).
6. **Ownership:** Foreign investors can set up ventures, either wholly owned or in joint collaboration, with local partners.
7. **Investing in The Stock Market:** Foreign investors are allowed to participate in initial primary offerings (IPOs) without any regulatory restrictions. Also, incomes from dividends are tax-exempt for investors.

2.2.4.2 Incentives and Facilities for the Investors:

1. **Tax Holiday:** Tax holiday is allowed to companies for the following periods according to the location of industries.

Location	Period
Dhaka and Chittagong Division (excluding the 3 hill districts of Chittagong Division)	5 years
Rajshahi, Khulna, Sylhet, Barisal and the 3 Hill districts of Chittagong Division	7 years

   The period of tax holiday is calculated from the month of commencement of commercial production or operation of the industrial undertaking. The eligibility of tax holiday is to be determined by the National Board of Revenue (NBR). Tax holiday facility can be availed of by industries set up within June 30, 2000.

2. **Accelerated Depreciation:** Accelerated depreciation in lieu of tax holiday is allowed at the rate of 80% of actual cost of machinery or plant for the year in which the unit starts commercial production and 20% for the following years. The rate of depreciation is 100% for areas specified by the NBR.

3. **Concessionary Duty on Imported Capital Machinery:** Import duty at the rate of 5% ad valorem is payable on capital machinery and spares imported for initial installation or BMR/BMRE of the existing industries. The value of spare parts should not however exceed 10% of the total C & F value of the machinery and will also get the benefit of this concessionary rate of duty. For 100% export oriented industries, no import duty is charged in case of capital machinery and spares. Value Added Tax (VAT) is not payable for imported capital machinery and spares.

4. **Rationalization of Import Duty:** Duties and taxes on import of goods which are produced locally will be higher than those applicable to import of raw materials for producing such goods.

5. **Incentives to Non-Resident Bangladeshis:** Special incentives are provided to encourage non-resident Bangladeshis for investment in the country. Non-resident Bangladeshi investors will enjoy facilities similar to those of foreign investors. Moreover, they can buy newly issued shares/debentures of Bangladeshi companies. A quota of 10% has been fixed for non-resident Bangladeshis in primary public shares. Furthermore, they can maintain foreign currency deposits in the Non-resident Foreign Currency Deposit (NFCD) accounts.

6. Other Incentives for Foreign Investors:

- Tax exemption on royalties, technical knowhow and technical assistance fees and facilities for their repatriation
- Tax exemption on interests on foreign loans
- Tax exemptions on capital gains from transfer of shares by the investing company
- Remittances of up to 50% of salaries of the foreigners employed in Bangladesh and facilities for repatriation of their savings and retirement benefits at the time of their return
- No restrictions on issuance of work permits to project related foreign nationals and employees
- Facilities for repatriation of invested capital, profits and dividends
- Provision of transfer of shares held by foreign shareholders to local investors
- 'Taka' the Bangladesh currency would be convertible for international payments for the foreign investors
- Reinvestment of remittable dividends would be treated as new investment
- Level playing field: foreign owned companies duly registered in Bangladesh will be on the same footing as locally owned ones
- Foreign investment in Bangladesh is secure and highly profitable
- According to available records no foreign investors have ever lost money in Bangladesh

2.2.4.3 Summary of Incentives Provided to the Investors:

Approval Authorities	
▪ Ministry of Finance ▪ Bangladesh Bank ▪ National Board of Revenue ▪ Bangladesh Export	▪ Processing Zones Authority ▪ Board of Investment ▪ Bangladesh Small & Cottage industries Corporation
Major Fiscal Incentives	**Major Non-Fiscal Incentives**
▪ Tax Holiday ▪ Accelerated Depreciation Allowance (ADA) instead of tax holiday ▪ Reduced corporate tax in lieu of Tax Holiday and Accelerated Depreciation Allowance ▪ Concessionary duty on imported machinery ▪ Avoidance of Double Taxation	▪ Remittance of royalty, technical know-how, technical assistance fee. ▪ 100% Foreign Equity allowed. ▪ Unrestricted Exit Policy. ▪ Full Repatriation facilities of dividend and capital at the event of exit. ▪ Permanent Residence Permit on investing US$ 75,000 and Citizenship offer for investing US$ 5,00,000.

2.2.5 Industry Specific Law

2.2.5.1 Bangladesh Tourism Board Act, 2010:

The overall development of the tourism industry and services, An Act to establish the management and development of the tourism board. Since the overall development of the tourism industry and services, operation and development of the tourism board expedient and necessary to the establishment of provisions for: It is hereby enacted as follows:

Short title, commencement and applicability	I. (1) This Act Bangladesh Tourism Board Act, shall be called 010. (2) The Government may, by notification in the official Gazette, which shall determine the date on which it shall come into force. (3) It shall be applicable for the tourism related fields.
Definition	II. Unless there is anything repugnant in the subject or context, this Act: (1) "governing body" means the governing body constituted under section 6; (2) "Chairman" means the Chairman of the Governing Body; (3) "traveler" means any person who is his normal place of residence for employment purposes other than income from any other place in the new vacation homes, entertainment, business needs or any other reason the US went more than one year; (4) "chief executive" means the chief executive officer of the Board; (5) "regulation" means the regulations made under the Act; (6) "Rules" means the rules made under the Act; (7) "board" means the established under section 4 of the Bangladesh tourism board '; (8) "member" means a member of the governing body.

Also, provisions and Sections regarding the following:

▪ Override the law ▪ Establishment of Board ▪ Board office ▪ The management and administration of the Board ▪ Functions of the Board ▪ Powers and duties of the Board ▪ Governing Body Meeting ▪ Committee ▪ Delegation of powers ▪ Chief executive	▪ Chief executive powers and functions ▪ Officers and employees of the Board ▪ Report ▪ Fund ▪ Budget ▪ Accounting and audit ▪ Board member of the governing body and officers and employees of public servant ▪ Power to make rules ▪ Power to make regulations ▪ Text translated into English, published

2.2.5.2 Bangladesh Hotel and Restaurant Law, 2014:

Bangladesh Hotels and Restaurants Ordinance, 1982; An ordinance to provide measures for controlling and regulating the standards of service and amenities in hotels and restaurants. WHEREAS it is expedient to provide measures for controlling and regulating the standards of service and amenities in hotels and restaurants and for matters ancillary thereto or connected therewith;

Bangladesh Hotels and Restaurants Ordinance, 1982, after consideration of the modification of the contents of the newly enacted law, law pranayanakalpe: It is hereby enacted as follows:

Short title and commencement	I. (1) This Act Bangladesh Hotel and Restaurant Law, 014 may be called. (2) It shall come into force immediately.
Definition	II. Unless there is anything repugnant in the subject or context, the Act (1) " guest " means any person who is no hotel accommodation or accommodation and food in exchange for money received and other services; (2) 'customer' means any person who paid any hotel or restaurant food, beverage, or other services received; (3) " prescribed " means prescribed by law; (4) " Registrar " means every district deputy commissioner; (5) 'registration' means a registration certificate issued under section 8; (6) 'controller' means the regulator under section 4 as an officer in charge; (7) " Rules' means the rules made under this Act; (8) 'person' means any person or organization, company, partnership, firm or any other organization shall include; (9) 'owner' means the hotel or restaurant owner, partner, or any director, who was to be part of the profit of the hotel or restaurant; (10) " restaurant " means a business organization which paid thirty (30) persons or more seats with prior customer service quality may take food; (11) 'license' means a license issued under section 10; (12) 'service' means any service provided by the hotel or restaurant; (13) " hotel " in the sense of not less than 10 (ten) bedroom with a business organization, where guests paid for the accommodation, food or housing and food and other services are arranged, and the guest house, motel, resort, resta House, it whatever name it is called, it shall be included.

Also, provisions and Sections regarding the following:

▪ Override the law ▪ Prevailing ▪ Controller Functions ▪ Power Controller ▪ Without license restrictions on the registration and management of a hotel or restaurant ▪ Registration certificate issued by a hotel or restaurant, etc. ▪ Hotel and restaurant business launch, etc. ▪ Licenses, etc. ▪ Eligibility to receive a license ▪ License expiration, renewal, etc. ▪ Tarakamana and classification of hotel and restaurant	▪ Hastantarajanita ownership of the new owner of the hotel or restaurant license ▪ By the Controller prohibiting certain business or profession ▪ Guest eviction, etc. ▪ Registration certificate or license suspension or cancellation ▪ Appeal ▪ Crime and punishment ▪ Offences committed by the company ▪ Judgment ▪ Non-cognizable offense and bailablity ▪ Mobile Court Act, 009 of the cadastral ▪ Power to make rules ▪ Text translated into English, published ▪ Repeal and Savings

2.3 SCOPE OF BUSINESS

2.3.1 Tourism Sector Overview

Tourism is one of the most promising sectors for developing countries around the world for their economic development. Many developing countries have prepared plans particularly at the central level to guide tourism development, as they have recognized the tourism sector as an important source of foreign currency earning and employment (Tosun and Timothy 2001).

Bangladesh is one of the most promising developing countries with all the signs of a better future. But, unfortunately, despite having almost everything including unparalleled natural beauty, historical background, unique cultural identity and archaeological resources, Bangladesh is lagging behind in tourism from its neighbors.

The government has several active policies and legislations for the tourism sector namely the Bangladesh Tourism Board Act, the Tourism Policy 2010, the Medium Term Budget Framework (MTBF) and the Perspective Plan 2021. These policies and legislations have been promulgated to develop and promote the tourism sector.

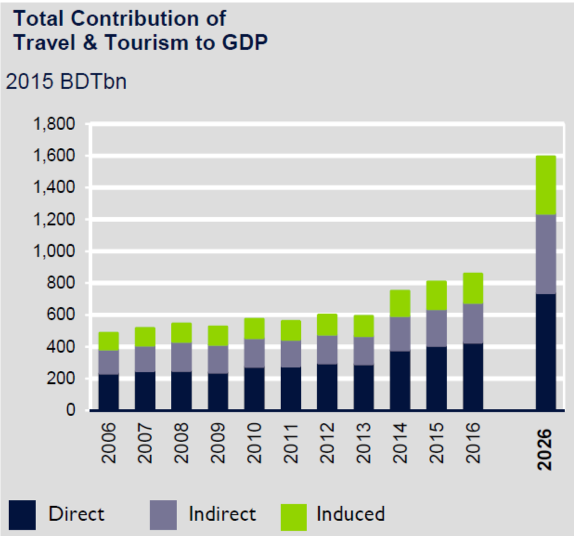
Tourism offers immense scope in employment generation, poverty alleviation and maintaining ecological balance. In recent times the government of Bangladesh realized the importance of tourism in its economic and social life. The many businesses that grow concurrently with the development of tourism include airlines, shipping, hotels and restaurants, finance companies, tour operators, travel agents, car rental firms, caterers and retail establishments and together, they contribute significantly to the overall development of a country's economy and to its cultural diversification and adaptation.

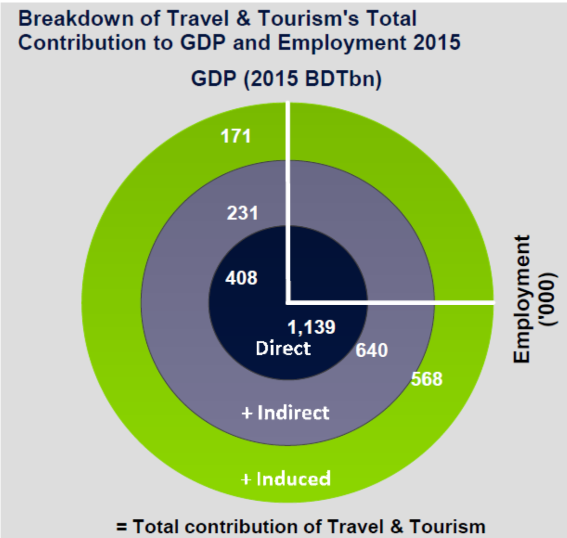
Tourism is yet to contribute significantly to the national economy of Bangladesh. Only organized and structured development and management can meet the expectations of the tourists. Bangladesh needs a more holistic and creative approach. Initiatives can be taken by government or ministry, a national chamber of commerce, investment promotion agency or all of them at the same time. But at the end all Bangladeshis are responsible to make the country as an attractive and successful tourist destination.

2.3.2 Tourism Sector's Contribution in GDP

2.3.2.1 2016 Key Facts: Tourism Sector*:

- **GDP: Direct Contribution:** The direct contribution of Travel & Tourism to GDP was BDT407.6bn (2.4% of total GDP) in 2015, and is forecast to rise by 5.2% in 2016, and to rise by 5.6% pa, from 2016-2026, to BDT738.1bn (2.3% of total GDP) in 2026.
- **GDP: Total Contribution:** The total contribution of Travel & Tourism to GDP was BDT809.6bn (4.7% of GDP) in 2015, and is forecast to rise by 6.1% in 2016, and to rise by 6.4% pa to BDT1,596.0bn (5.0% of GDP) in 2026.
- **Employment: Direct Contribution:** In 2015 Travel & Tourism directly supported 1,138,500 jobs (2.0% of total employment). This is expected to rise by 1.5% in 2016 and rise by 0.8% pa to 1,257,000 jobs (1.8% of total employment) in 2026.
- **Employment: Total Contribution:** In 2015, the total contribution of Travel & Tourism to employment, including jobs indirectly supported by the industry, was 4.1% of total employment (2,346,000 jobs). This is expected to rise by 2.3% in 2016 to 2,401,000 jobs and rise by 1.9% pa to 2,894,000 jobs in 2026 (4.1% of total).
- **Visitor Exports:** Visitor exports generated BDT10.8bn (0.4% of total exports) in 2015. This is forecast to grow by 4.3% in 2016, and grow by 7.1% pa, from 2016-2026, to BDT22.4bn in 2026 (0.4% of total).
- **Investment:** Travel & Tourism investment in 2015 was BDT61.6bn, or 1.2% of total investment. It should rise by 6.3% in 2016, and rise by 8.8% pa over the next ten years to BDT151.9bn in 2026 (1.7% of total).



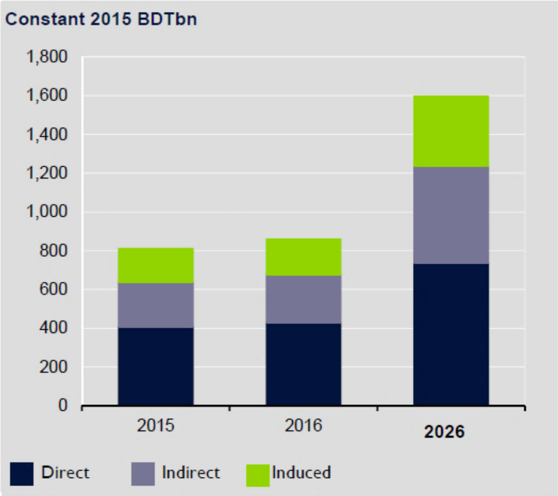


*All values are in constant 2015 prices & exchange rates

Data Source: Travel & Tourism ECONOMIC IMPACT 2016 BANGLADESH; World Travel & Tourism Council (WTTC)

2.3.2.2 Travel & Tourism's contribution to GDP*:

The total contribution of Travel & Tourism to GDP (including wider effects from investment, the supply chain and induced income impacts) was BDT809.6bn in 2015 (4.7% of GDP) and is expected to grow by 6.1% to BDT859.2bn (4.7% of GDP) in 2016.



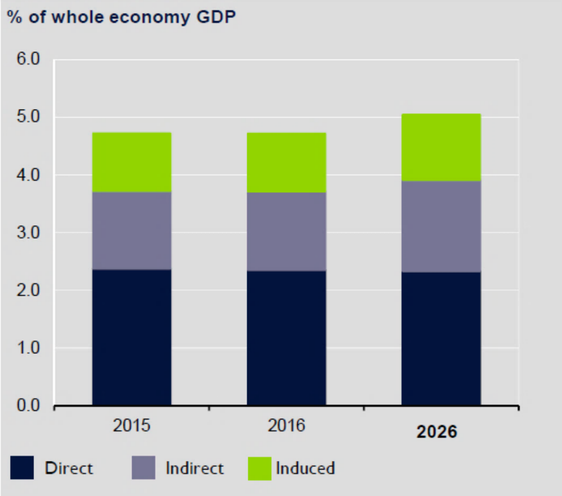


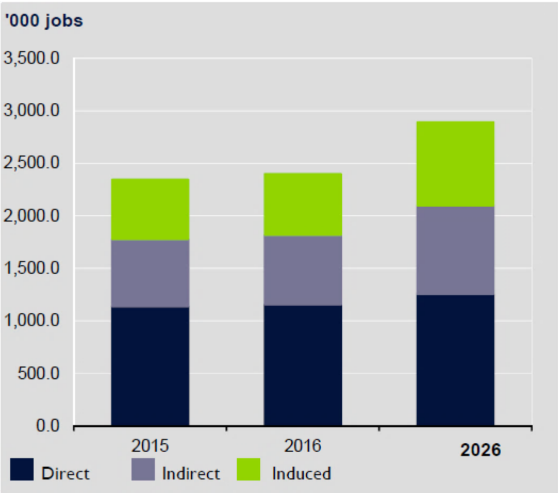
Figure: Total Contribution of Travel and Tourism to GDP

*All values are in constant 2015 prices & exchange rates

2.3.2.3 Travel & Tourism's Contribution to Employment:

The total contribution of Travel & Tourism to employment (including wider effects from investment, the supply chain and induced income impacts, see page 2) was 2,346,000 jobs in 2015 (4.1% of total employment). This is forecast to rise by 2.3% in 2016 to 2,401,000 jobs (4.1% of total employment).

By 2026, Travel & Tourism is forecast to support 2,894,000 jobs (4.1% of total employment), an increase of 1.9% pa over the period.



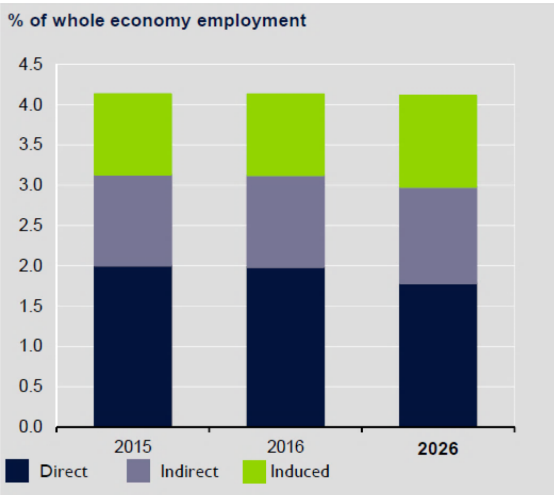


Figure: Total Contribution of Travel & Tourism to Employment

Data Source: **Travel & Tourism ECONOMIC IMPACT 2016 BANGLADESH; World Travel & Tourism Council (WTTC)**

2.3.2.4 Visitor Exports and Investment*:

- **Visitor Exports:** Money spent by foreign visitors to a country (or visitor exports) is a key component of the direct contribution of Travel & Tourism. In 2015, Bangladesh generated BDT10.8bn in visitor exports. In 2016, this is expected to grow by 4.3%, and the country is expected to attract 173,000 international tourist arrivals.

  By 2026, international tourist arrivals are forecast to total 278,000, generating expenditure of BDT22.4bn, an increase of 7.1% pa.

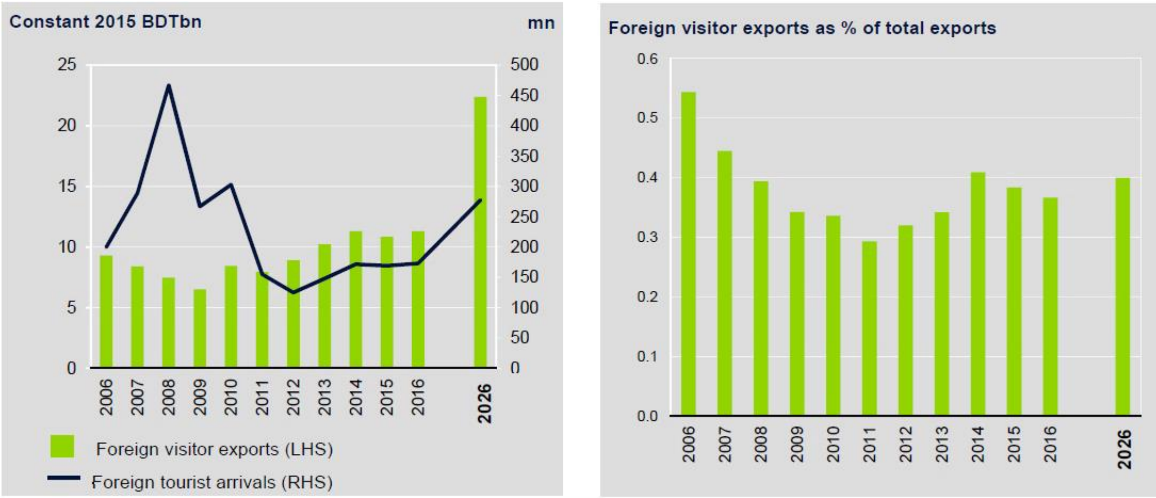


Figure: Visitor Exports and International Tourist Arrivals

- **Investment:** Travel & Tourism is expected to have attracted capital investment of BDT61.6bn in 2015. This is expected to rise by 6.3% in 2016, and rise by 8.8% pa over the next ten years to BDT151.9bn in 2026.

  Travel & Tourism's share of total national investment will rise from 1.2% in 2016 to 1.7% in 2026.

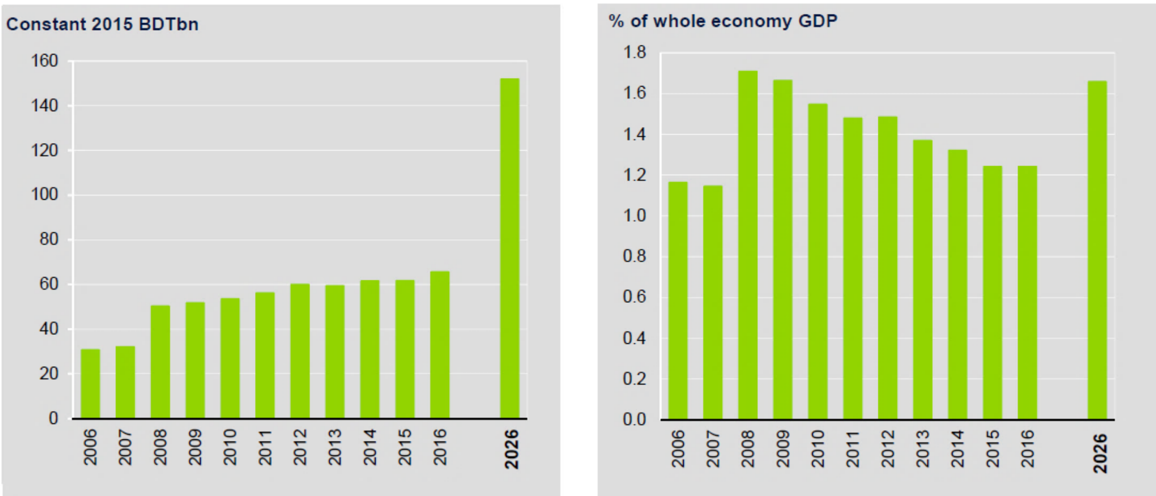


Figure: Capital Investment in Travel & Tourism

*All values are in constant 2015 prices & exchange rates

Data Source: **Travel & Tourism ECONOMIC IMPACT 2016 BANGLADESH; World Travel & Tourism Council (WTTC)**

2.3.3 SWOT Analysis – An Eye on the Tourism Sector of Bangladesh

HELPFUL To achieving objectives	**HARMFUL** To achieving objectives

SWOT

Strengths (S):
- Historical places
- Geographic location
- Human capital
- Internet facilities
- Faith-based community
- Sufficient spaces
- Colorful culture

Weaknesses (W):
- Legal support
- Labor
- Political will
- Late entry
- Poor infrastructure

Opportunities (O):
- Tie up with big corporate business houses
- Technical assistance
- Labor cost
- Social media marketing
- Standardized global rates with its presence
- Competitive pricing
- Tourist sight of Bangladesh

Weaknesses (W):
- Legal support
- Labor
- Political will
- Late entry
- Poor infrastructure

Strengths (S):

- There are many historical places in Bangladesh.
- Bangladesh has nice Geographic location.
- Large human capital available in our country.
- Excellent internet facilities in our country.
- Support from faith-based community.
- Sufficient spaces for developing business.
- It has different colorful culture.

Weaknesses (W):

- No tourism legal support available in our country.
- There is lack of skilled labor.
- Lack of political will.
- Political parties are not interested to developing business.
- The late entry is another weakness.
- Poor infrastructure.

Opportunities (O):

- Tie up with big corporate business houses for providing travel and accommodation facilities in any of their hotels around Bangladesh.
- Technical assistance available.
- Low labor cost.
- Social media marketing can be used to reach out more prospective customers and not only the corporate business house.
- Can standardized global rates with its presence.
- Competitive pricing for the quality of service offered.
- Most popular tourist sight of Bangladesh.

Threats (T):

- New Government Rules. As the business is getting competitive, government may impose new starting up business.
- Higher competition existing rivals in all aspects
- There are many players of about same size and strategy.
- Power management problem.

2.3.4 PESTEL Analysis

There are many external environmental factors that can affect the business. Some common factors are political, economic, social and technological (PEST analysis). Companies also study environmental, legal factors (PESTEL analysis).

In the tourism industry of Bangladesh, the following favorable and unfavorable situations are encountered from the external environment most of the time.

PESTEL

Political (P) Factors:

The political environment in Bangladesh can impact business organizations in many ways. It could add a risk factor and lead to a major loss. Below, is a list of political factors affecting business:

▪ Bureaucracy	▪ Health and safety law
▪ Corruption level	▪ Competition regulation
▪ Freedom of the press	▪ Regulation and deregulation
▪ Tariffs	▪ Tax policy (tax rates and incentives)
▪ Trade control	▪ Government stability and related changes
▪ Education Law	▪ Government involvement in trade unions and agreements
▪ Anti-trust law	▪ Import restrictions on quality and quantity of product
▪ Employment law	▪ Intellectual property law (Copyright, patents)
▪ Discrimination law	▪ Consumer protection and e-commerce
▪ Data protection law	▪ Laws that regulate environment pollution
▪ Environmental Law	

There are 4 main effects of these political factors on business organizations. They are:

- Impact on economy
- Changes in regulation
- Political stability
- Mitigation of risk

Economic (E) Factors:

PESTEL

- The market-based economy of Bangladesh is the 32nd largest in the world by purchasing power parity and is classified among the Next Eleven emerging market economies.
- According to the IMF, Bangladesh's economy is the second fastest growing major economy of 2016, with a rate of 7.1%.
- In 2016, per-capita income was estimated as per IMF data at US$3,840 (PPP) and US$1,386 (Nominal).
- GDP $223.941 billion (nominal; 2016), $620.279 billion (PPP; 2016).

Social (S) Factors:

PESTEL

- Social factors make the future look very good for hotel business in Bangladesh because According to sources, the demand for 5-star accommodation in Dhaka is at present increasing at the rate of 15 per cent a year.
- More importantly, the annual hotels occupancy rate on an average is 55-60%, say industry insiders.
- It seems as if more people are willing to travel and pay more for the experience.

Technological (T) Factors:

PESTEL

As technology developments continue at a relentless pace, it can be difficult for hotels to keep up with recent changes. However, the savings and improvements that technology can deliver mean that OYO Rooms really need to keep one eye on these six major trends in Bangladesh. Those are:

- **Software as a Service (SaaS):** Software delivered as a service, rather than held on premise is already a mainstream technology topic and despite being a new concept in the hospitality sector, it is already big news.
- **Mobility:** Mobile is the new face of computing as devices such as tablets and smartphones revolutionize the way we interact with technology. Hospitality is no exception to this revolution, in some cases leading the way.
- **Social:** Social media has had a profound impact upon the hospitality industry. Meanwhile, newer social tools like Facebook or Twitter are quickly becoming just as influential. For any hotel to not at least monitor social media is tantamount to willingly flying blind.

- **Personalized Systems:** Customers expect their experience within a hotel to be totally personalized: from the welcome message on the television screen and food preferences to additional services such as personal training or flowers in the room. This creates a huge range of valuable customer preference data that needs to be fed into the hotel management system to deliver a personalized, high quality service for each return visit.
- **Integration:** Hotels span many functions: from accommodation and event catering to specialized facilities such as golf or health spas. Each of these areas has, traditionally, operated an individual software system. Whilst this approach has delivered specific functionality, it has also led to silos of information. Integrating these systems can provide more comprehensive management information, faster reporting and a truly comprehensive view of profitability.

Environmental (E) Factors:

PESTEL

- Bangladesh Environment Conservation Act (BECA) is set of laws enacted by the government of Bangladesh in 1995.
- The Act gives operational definitions of terms that historically did not exist, including ecosystem, pollution, waste and hazardous substance.

Top Environmental Issues, Facing the Hospitality Industry in Bangladesh, are

- Staying ahead of rising energy costs.
- Learning how to design and build new hotels that meet Leadership in Environment and Energy Design (LEED) standards established by the U.S. Green Building Council.
- Climate change. As evidence continues to mount regarding the reality of global warming, how will the lodging industry react?
- Indoor air quality. Last year saw Westin and others transition to 100 percent nonsmoking environments. What chains will be next? Increasingly, travelers are clamoring for clean air.
- At the association level, the hotel industry is hungry for leadership - individuals to take the lead in pushing the industry toward sustainability. Who will step forward?
- Meeting planners increasingly will require green practices as they select their meeting destinations. What hotel companies and cities will be best positioned to take advantage of this trend?
- There is a need for a greater environmental presence at the hotel industry's largest trade shows. Will that happen in future?

- Green lodging certification programs are popping up at the state level around the country.
- Greenhouse gas/carbon offsetting programs are becoming more common.

Legal (L) Factors:

PESTEL

- Bangladesh Hotel and Restaurant Act 2014 has been passed in the parliament with some new provisions in November 2014. It has replaced the Bangladesh Hotel and Restaurant Ordinance, 1982.
- According to the Bangladesh Hotel and Restaurant Act 2014, resorts, motels and rest-houses will also come under the same definition of a hotel.
- According to the Bangladesh Hotel and Restaurant Act 2014, the deputy commissioners (DCs) will act as registrar and controller of all restaurants and hotels of one and two-star categories, and will issue their registration.
- The core objective of the law is to flourish the country's tourism sector by regulating the hotels and restaurants with the proposed act.
- Bangladesh Hotel and Restaurant Act 2014, keeping the provision of six months' imprisonment and a Tk. 200,000 fine for violation of the law. In the previous law, the fine was only Tk. 5,000 and there was no jail term.

2.3.5 Competitor Analysis

There are some major competitors in online hotel booking and reservation business in Bangladesh which OYO Rooms have to consider in designing their service marketing strategy. They include the following:

Jovago:

- Jovago is Bangladesh's No.1 hotel booking website, allows to get the best prices.
- Ambition is to bring every bit of available accommodation online, and to create the easiest and cheapest way for customers to book it.
- Jobago offices are located in Dhaka (Bangladesh), Karachi, Lahore and Islamabad (Pakistan), Yangon (Birmanie), Porto (Portugal) and Paris (France).

Name	Jovago
Specialty	Jovago have hundreds of travel specialists constantly in touch with customers.
Operations	Worldwide (225,000 hotels around the world)
Properties in Bangladesh	484 (including hotels, guest house).
Mobile App	Yes

Hotels.com:

- Hotels.com is the largest hotel directory in Bangladesh.
- Hotels.com provides online hotel booking, hotel reservation, package tour, tours and travels in Bangladesh etc.

Name	Hotels.com
Specialty	▪ Offers one stop shopping source for hotel pricing amenities and availability. ▪ Specializes in providing travelers with accommodation during sold-out periods.
Operations	Worldwide
Properties in Bangladesh	Dhaka, Chittagong, Cox’s Bazar, Saint Martin, Sylhet etc.
Mobile App	Yes

Agoda:

- Agoda is one of the world's fastest-growing online hotel platforms. Established in 2005 as a start-up, Agoda expanded quickly in Asia.
- Agoda's experienced web designers have created a reliable and easy-to-use website and app that allows instant confirmation within a secure system.

Name	Agoda
Specialty	▪ In 2007 Agoda acquired the world's largest seller of rooms online – the Priceline Group. ▪ Agoda's network enables dedicated teams to maintain close relationships with property and marketing partners around the globe, sourcing the best accommodation deals found in the digital world.
Operations	Worldwide (940572 hotels around the world)
Properties in Bangladesh	156 Hotels in Bangladesh.
Mobile App	Yes

Booking.com:

- Booking.com is part of The Priceline Group, the world leader in online travel & related services.
- Booking.com B.V. is based in Amsterdam in the Netherlands, and is supported internationally by 184 offices in 70 countries.
- 96,183 destinations in 226 countries and territories.

Name	Booking.com
Specialty	▪ Planet's #1 accommodation site. ▪ More than 6.3 million room nights are booked on website every week (worldwide). ▪ No reservation service fee ▪ Guarantee to offer the lowest available rates.
Operations	Worldwide (1,035,371 properties worldwide Including 515,505 vacation rentals on villas.com)
Properties in Bangladesh	176 properties.
Mobile App	Yes

Goibibo.com:

- Goibibo is the largest online hotels booking engine in India and also one of the leading air aggregator.
- Goibibo is also the number one ranked mobile app under the travel category.
- Goibibo has grown its hotels booking volumes by 5x in 2015 over the previous year.

Name	Goibibo.com
Specialty	Core value differentiator is delivery of the fastest and the most trusted user experiences, be it in terms of quickest search and booking, fastest payments, settlement and refund processes.
Operations	200,000+ hotels worldwide.
Properties in Bangladesh	176 Hotels in Bangladesh. (Goibibo has tied up with hotels in Dhaka, Chittagong, Coxs Bazar, Sylhet, Bogra.)
Mobile App	Yes (70% of hotel bookings take place on Goibibo's app).

TripAdvisor:

- TripAdvisor® is the world's largest travel site, enabling travelers to unleash the full potential of every trip.
- TripAdvisor branded sites make up the largest travel community in the world, reaching 350 million average monthly unique visitors, and reached 385 million reviews and opinions covering 6.6 million accommodations, restaurants and attractions.

Name	TripAdvisor
Specialty	Offers advice from millions of travelers and a wide variety of travel choices and planning features with seamless links to booking tools that check hundreds of websites to find the best hotel prices.
Operations	Operate in 48 markets worldwide.
Properties in Bangladesh	143 Hotels in Bangladesh.
Mobile App	Yes

2.3.6 Success Rate Potentiality of OYO Rooms in Bangladesh

Like other countries, hospitality is now becoming Bangladesh`s one of the largest industries. Hotel industry play a significant role in the growth of the tourism industry as Bangladesh is strategically located in an ideal place in Asia and a tourist destination on the map of the world.

- The size of gross domestic product (GDP) of Bangladesh was 6.4 billion US dollars in 1971.
- According to the International Monetary Fund (IMF), the size of the GDP of Bangladesh reached 153.5 billion US dollars in 2013.
- During 1970-2013 GDP of Bangladesh grew by 146.4 billion US dollars (in 21.6 times).
- During 1970-2013 GDP per capita in Bangladesh rose by 873 US dollars (in 9.2 times) to 980 US dollars. The average annual growth of GDP per capita in Bangladesh was 20.3 US dollars or 19 percent. Now GDP per capita of Bangladesh is 1314 US dollars. The economy of the country has been maintaining 6 plus per cent growth since 2004.
- The Bangladesh travel and tourism sector posted 25 per cent growth in 2014.

- At present there are 28 five-star, four-star and three-star hotels and resorts in the country. According to sources, the demand for 5-star accommodation in Dhaka is at present increasing at the rate of 15 per cent a year. In the coming years the demand will be increased further.
- According to sources, ten more five-star hotels in Dhaka and Chittagong are going to be built in Bangladesh as demand for accommodation increasing in Bangladesh frequent visits by increased number of the foreign businessmen coupled with hosting of international sports events.
- According to sources, six global hospitality chains are investing around US$ 1.0 billion to construct 10 new five-star hotels in Dhaka, Chittagong and Cox`s Bazar by 2016.

- The annual hotels occupancy rate on an average is 55-60%, say industry insiders.
- According to Bangladesh Parjatan Corporation (BPC) officials, roughly 500,000 foreigners arrived in Bangladesh in 2012 with above 80% of them on business and official tours and the remaining as tourists.
- According to statistics of Bangladesh Tourism Board (BTB), a total of 276,583 tourists visited Bangladesh in 2013.

With a Population of 156.3million and per capita GDP of USD 903.88, Bangladesh is a major hub of tourism. It ranks 127 out of 141 countries in terms of Travel and Tourism Competitiveness Index. It shows promises in terms of price competitiveness, health and hygiene, security and safety. Considering the above information and analyzing the current scenario, it can be said that there is ample opportunity for the hotel business in Bangladesh. Cheap labor, huge potentiality and availability of raw materials will make the path easier for OYO Rooms to succeed.

2.3.7 Strategic Implementation

2.3.7.1 Development:

Step	Description
OYO Rooms	
Bangladesh	
Place of Business	OYO can set up a place of business in Bangladesh in the form of a Branch Office or a Liaison Office. Permission will be required from the Bangladesh Bank and the BOI in order to open up a Branch Office or a Liaison Office.
Foreign Investment	OYO may set up an industrial entity which is wholly owned or set up in collaboration with local investors. There is no requirement to obtain prior permission to set up such enterprises if the entrepreneurs use their own funds.
Registration of Foreign Direct Investment	Although prior permission is not required, it is advised that a business entity is registered in order to benefit from various facilities and institutional support provided by the government, entrepreneurs and sponsors.
Environmental Regulations	OYO may be required, in accordance with the Environment, to undertake some form of environmental impact assessment.
Zonal Restrictions	There are no regional or zonal restrictions on investment. **1) Location for Business** Investors can set up businesses in any part of the country except in the areas reserved for the armed forces or declared environmental preserves. **2) Investment Incentives** The availability of investment incentives including tariff concessions and tax-holiday periods varies according to location, with the less developed regions providing the best offers.
Building and Related Permits	OYO will receive assistance to acquire buildings or industrial plots depending on the nature of the business.
Termination of Business	OYO can wind up on its own initiative or the court may intervene to wind up the company.

2.3.7.2 Operation:

- **STP Analysis:**

Segment	People looking for destinations to stay away from the stressful lives
Target Group	Individuals, Couples, Families, Corporates
Positioning	Change The Way People Stay Away From Home

- **Strategic Location:** Considering the industry report, competitor's condition, and the regular travelers traffic in some places of the country, it can be said that it will be better for OYO to start its operation in the following locations as a first priority:
  - ✓ Dhaka
  - ✓ Chittagong
  - ✓ Cox's-Bazar
  - ✓ Saint Martin
  - ✓ Chittagong Hill Areas
  - ✓ Kuakata
  - ✓ Sylhet
  - ✓ Khulna
  - ✓ Comilla
  - ✓ Bogra

There are a number of steps OYO can take to get OYO started on the right foot.

- **Mind the Infrastructure:** Before planting OYO banner in an emerging market, the transportation, utilities, internet speed, political and economic stability—even weather patterns should be investigated.
- **Find Partner on the Ground:** OYO Rooms is completely a business of partnering, promoting, and profit making. Enlisting trustworthy business partners who's native to the region or intimately familiar with the local business climate can simplify everything.
- **Commune with the Locals:** OYO should live, eat and socialize among nationals so that it can pick up the nuances of Bangladeshi culture, dialect and business attitudes, not to mention develop contacts.
- **Embrace the Business Culture:** Whenever OYO approach to this country, it should think globally, but act locally. Because, ultimately it has to do its business in different parts of the country. Honoring local business customs can make the difference between winning and losing customers.
- **Seek Tax and Legal Counsel:** It can cost OYO dearly to assume that the tax and legal protections they enjoy in the India are also same most of the cases in Bangladesh. Better OYO should partner with law firm.

- **Be Expert in Resource Utilization:** For building a business in Bangladesh, OYO needs to know more than local museum hours. One place to start is the trade and industry organizations in OYO's regions of interest and accelerators its research and development.

2.3.7.3 Marketing:

Bangladesh is the growing new market for OYO. People here face a lot of problems in hotels starting from booking to the check-out of the hotel. OYO has many best solutions for those problems. It is better to have both online and offline marketing strategies to promote those USPs.

Online Marketing Strategies

- Social Media Marketing
- Mobile App
- Content Marketing
- Email Marketing
- Mobile Marketing
- Youtube Marketing
- Online Brochure
- SEO, SEM

Offiline Marketing Strategies

- TV Commercial and Campaign
- Radio Show Campaign
- Partnering with Telecom Companies
- Corporate tie up with Companies
- Leaflets in Airports, Stations etc.
- Campaigns in Educational Institution
- Hosting Different Reality Programs

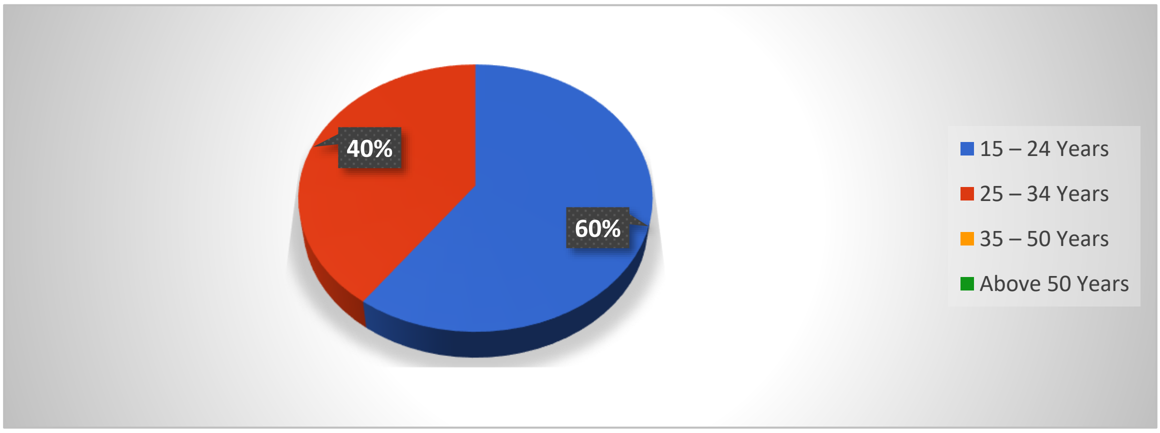
2.3.8 Market Forecast

2.3.8.1 Quantitative Study:

Basic Information about the Samples:

1. **Sample Size:** 60
2. **Age Group:**

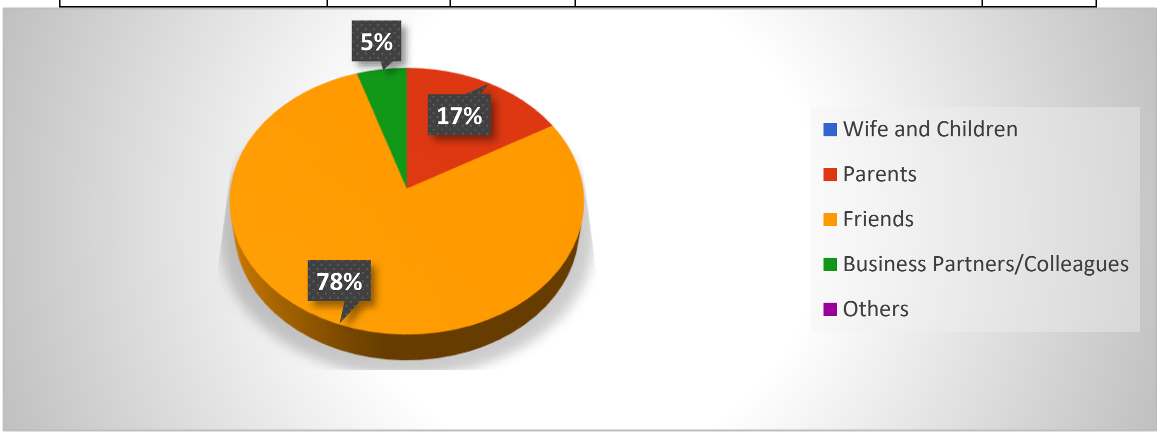
15 – 24 Years	25 – 34 Years	35 – 50 Years	Above 50 Years
36	24		



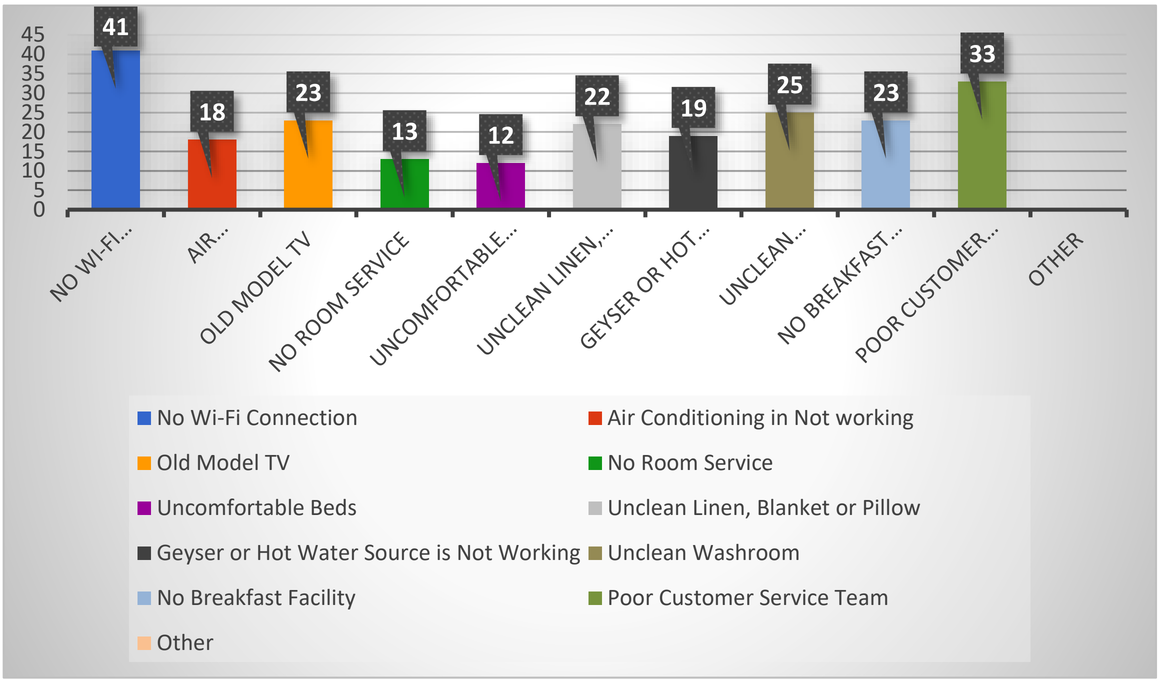
Results of the Market Survey:

1. **Who is usually your partner in traveling?**

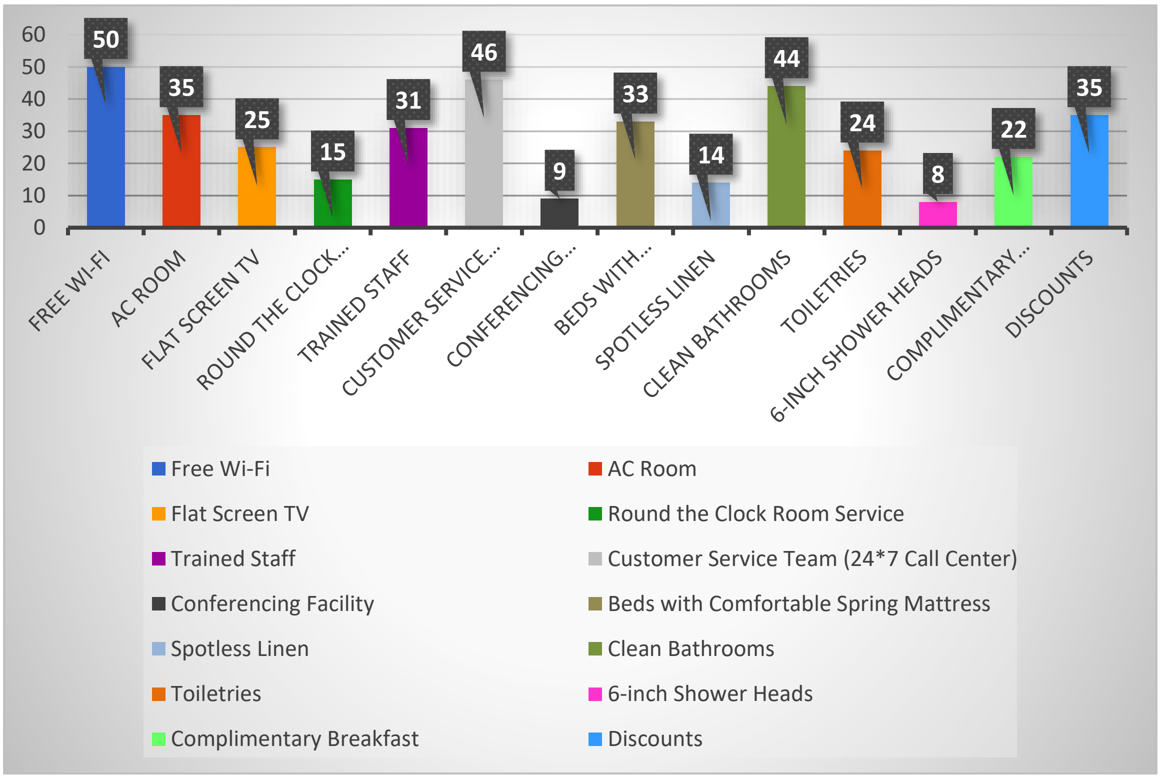
Wife and Children	Parents	Friends	Business Partners/Colleagues	Others
	10	47	3	



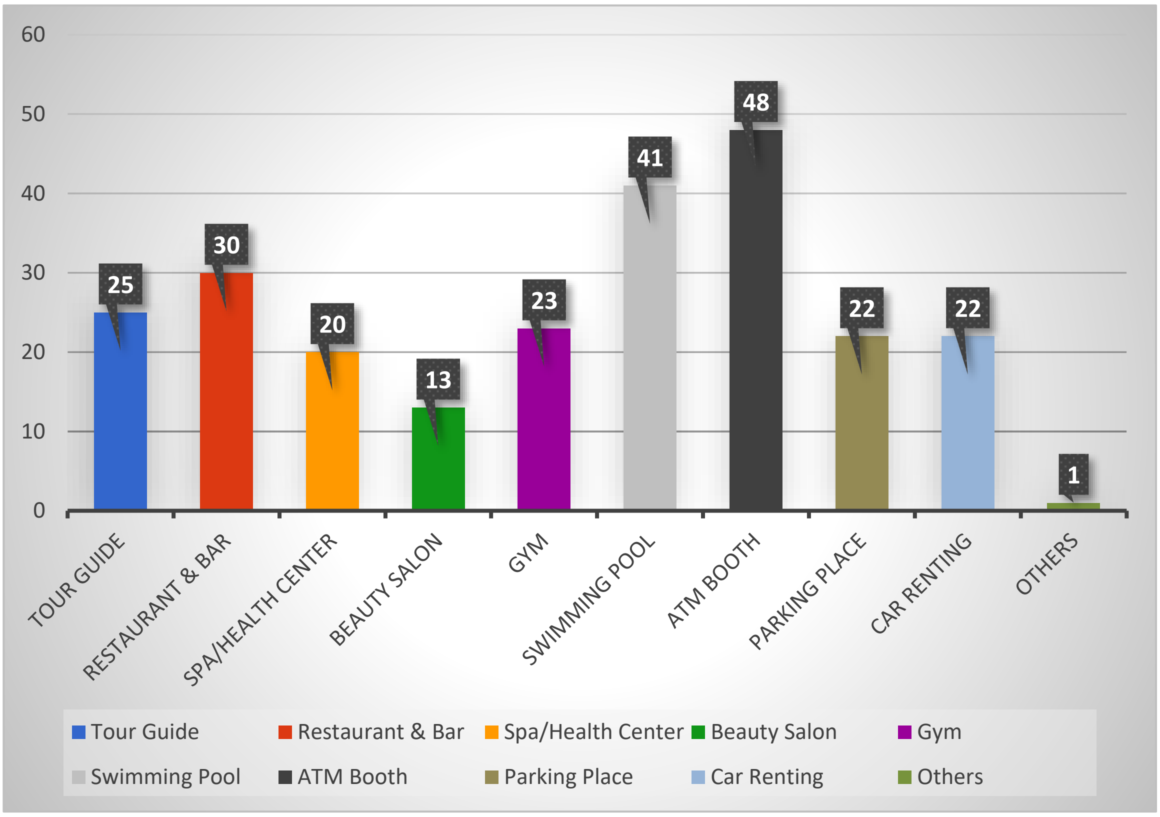
2. **Which of the below irregularities did you see in the hotel? (Multiple options can be chosen).**



3. **What kind of standard facilities do you expect from a hotel service provider? (Multiple options can be chosen).**

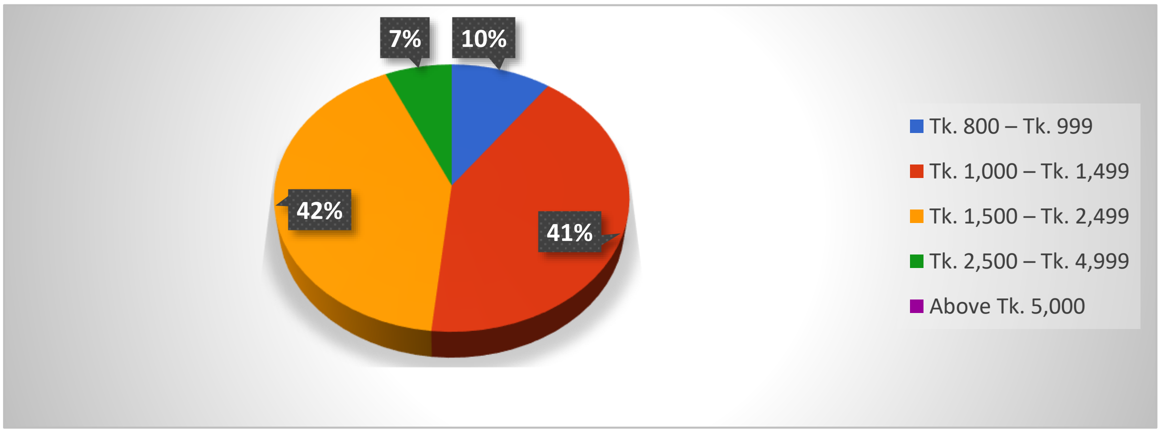


4. What other additional facilities in a hotel are you also interested in? (Multiple options can be chosen).

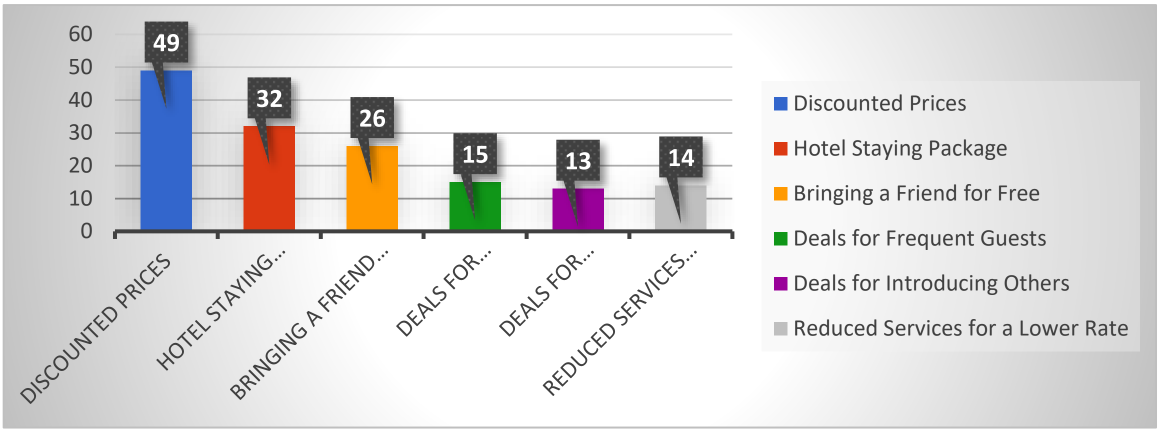


5. For the above standard hotel facilities, taking how much money (per night) do you think will be JUSTIFIED?

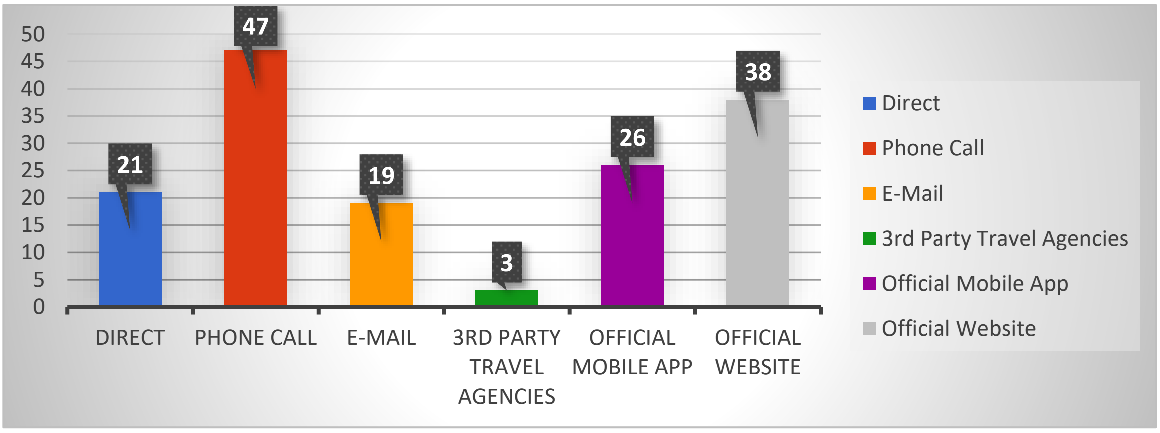
Tk. 800 – Tk. 999	Tk. 1,000 – Tk. 1,499	Tk. 1,500 – Tk. 2,499	Tk. 2,500 – Tk. 4,999	Above Tk. 5,000
6	25	25	4	



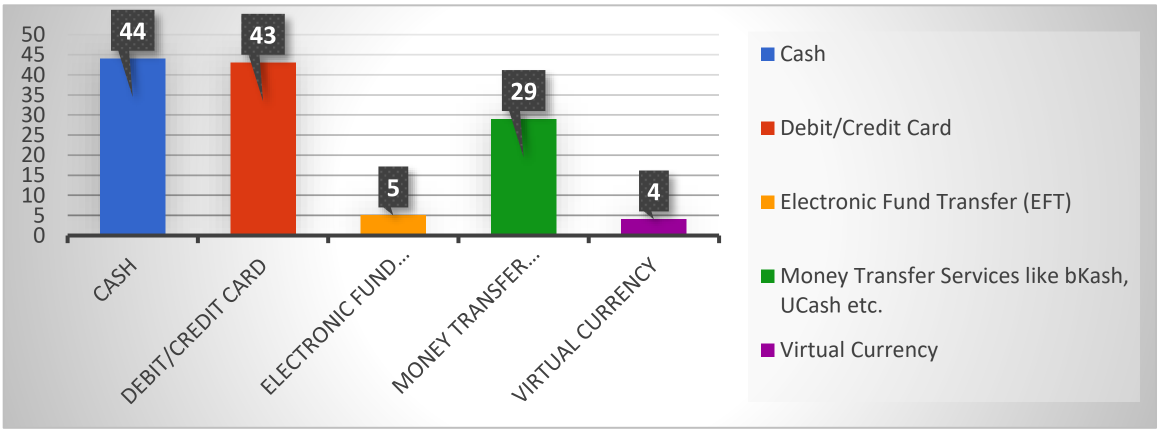
6. **Which top 3 offers will grab your interest first? (Top 3 options can be chosen).**



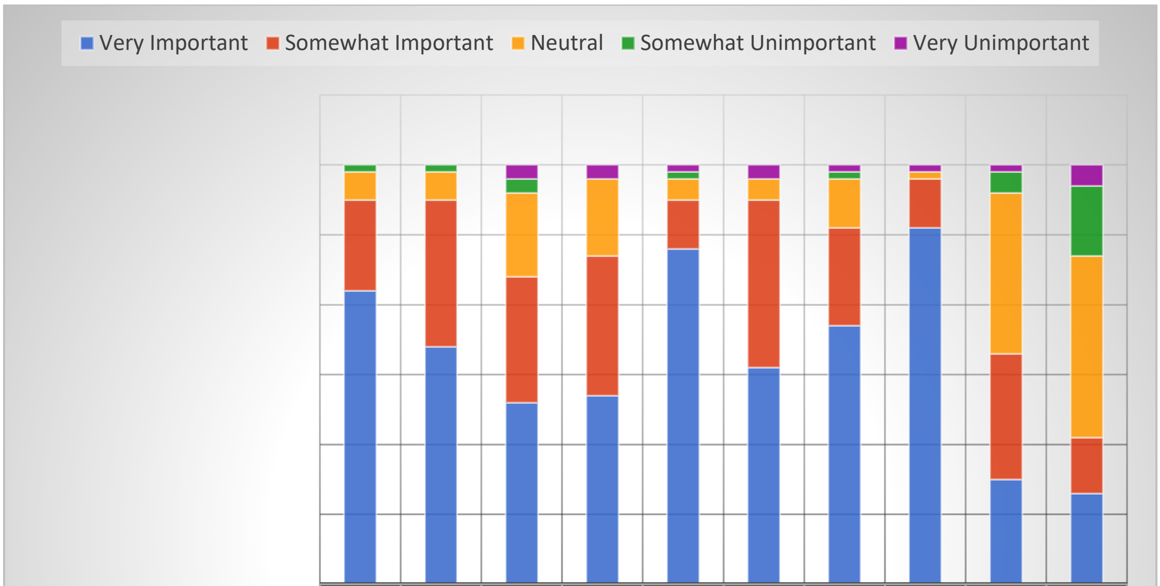
7. **Through which method/s do you prefer to book the hotel room? (Multiple options can be chosen).**



8. **Which payment method/s do you prefer most? (Multiple options can be chosen).**

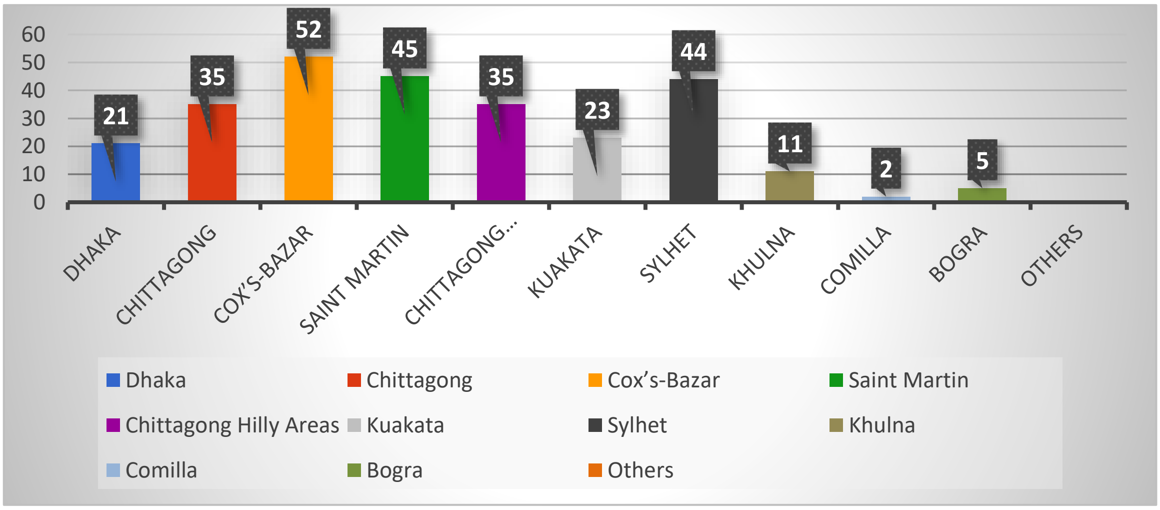


9. Please rate the following hotel service by its importance.



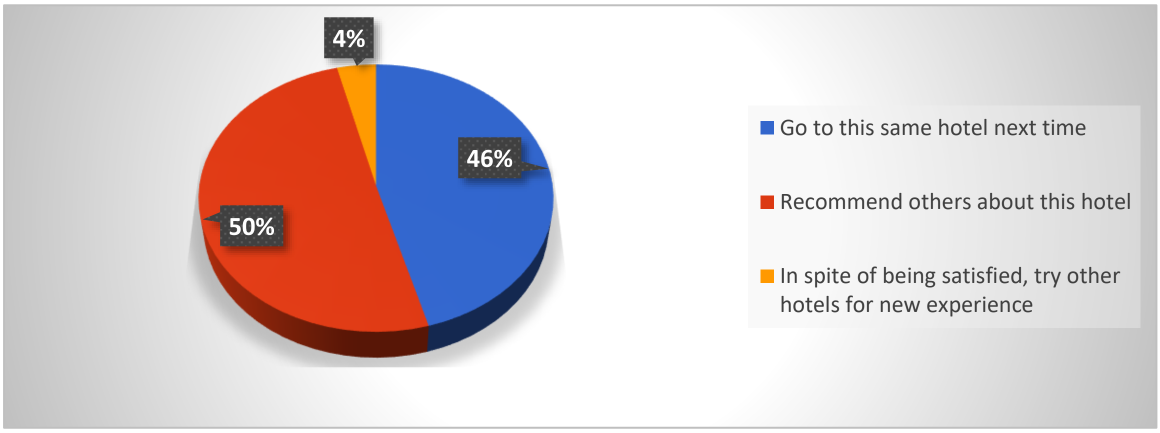
	Room Services	Friendly and Well-Groomed Staff	A Friendly Welcome on Arrival	A Quick Check-In\Out	The Atmosphere in Your Room	New and Modern Facilities of the Room	Quality of Service, Food & Beverage in Restaurant/ Bar	Hygiene Washroom	Different Rooms for Different Styles	Breakfast in Bed
Very Unimportant	0	0	2	2	1	2	1	1	1	3
Somewhat Unimportant	1	1	2	0	1	0	1	0	3	10
Neutral	4	4	12	11	3	3	7	1	23	26
Somewhat Important	13	21	18	20	7	24	14	7	18	8
Very Important	42	34	26	27	48	31	37	51	15	13

10. In which places of Bangladesh, do you want this kind of hotel facilities, considering the historical places, endowed natural places, and artificial amusement park? (Multiple options can be chosen).



11. If you are satisfied with the services of a particular hotel, you are likely to: (Multiple options can be chosen).

Go to this same hotel next time	47
Recommend others about this hotel	52
In spite of being satisfied, try other hotels for new experience	4



12. Please specify your suggestion/s or expectation/s in short for these kinds of hotel facilities in Bangladesh.

<u>Few worth mentioned suggestion/s or expectation/s:</u>

- Hotel facilities must be customer centered considering the needs of tourist comfort.
- Fresh bed, washroom with necessary toiletries, very clean room with a pleasant smell, educated and well trained staffs are common expectations of all customer. All kinds of hotel with high rate or low should confirm these services.
- Improve quality customer services and ensure security & safety of customers.
- Need to increase recreation opportunity.
- Fast service is expected.
- Need some more modern hotel facilities in different tourist spots in Bangladesh.
- It is expected that this kind of hotel facilities will be available very soon. And the management will try to satisfy the customers by their service.
- It will be a great pleasure to have such hotels in Bangladesh. If all the above mentioned hotel facilities can be ensured, these will become the new dimensions in choosing a hotel. Customers are going to visit such hotels frequently and help in increasing word of mouth marketing that will enrich the brand recognition as well.
- Government should focus much on our tourism industries so that people can explore the country nicely and government can earn a lot by attracting the foreigners.

2.3.8.2 Qualitative Analysis:

There are some innovative areas that OYO can work on and add to their service strategy in order to compete with established competitor Jovago and others and also to capture the market share quickly.

- **OYO Hub in Different Airports and Stations:** There are national and international tourists who go to different places of the country. OYO can build a OYO Hub in different airports or stations to help them find a hotel who did not book one earlier.
- **Transportation Facility:** OYO can provide transportation facility to foreign delegate. And the cab can be named as "OYO Cab". As per Bangladesh Porjontan Corporation nearly 5,00,000 foreigners visit the country in a year. It can be a game changing if OYO can provide transportation facilities for pick up from airport or elsewhere.
- **OYO Guide:** Guest staying in OYO rooms may want to visit certain places that they may not know. In that case, OYO can provide tourist guide to the guest.
- **OYO Directory:** OYO can make a strategic deal with its partner hotels regarding the contact number of the guests. Guest who frequently stays in hotels, OYO can offer them some extra discount or extra facility. And OYO can send message to every single guest who stayed in that particular hotel along with mentioning the hotel name.
- **"EMERGENCY" Option in OYO App:** OYO can include emergency option in their mobile app so that guest staying in OYO rooms can be able to get any assistance in case of emergency such as ambulance for medical emergency.
- **Digital News Feed:** OYO can create a news feed in their app where the customer will get news of other local businesses/places related to his/her interest. This will help him/her to get an idea about the surrounding place s/he is staying. After that s/he can get his/her desired services, or visit the nearer places.
- **E-Check-In:** It would be nice to be able to check in to the room from the smart phone. The system would then email the customer a room unique key-barcode. He could then scan his phone against the lock to enter the room. This would avoid the hassles of having to deal with late arrivals and obtaining keys. If he is flying in for a meeting, he just goes straight to the assigned room and scan in to get checked in.
- **The Student Hotel:** OYO can provide fully furnished rooms and suites for students, urban travelers, academics, friends and family. International and local students enjoy all-inclusive and hassle-free accommodation with lots of extra benefits. With library, lounges and study rooms, gym, cafe and restaurant, bike, and WiFi etc.

2.3.9 Final Recommendation

In this generation there is an increasing demand for a faster and more high tech way of processing or doing any kind of transactions. Most of the hotels provide goods and services using web-based system. It helps to perform task in an easy way with less time consumed. Some companies are become fully automated while others strive for the manual procedure on making reservations. Most of the opportunities for doing business in Bangladesh have come across the report. Few other recommendations are as follow:

1. Bangladesh is a highly potential country in tourism sector. The only things needed are the proper organization and marketing of the sector. OYO can undoubtedly focus on this part.
2. Develop a systematic, dedicated, and reliable service pattern through the country.
3. Include the company's and other local businesses' additional services as part of the booking/reservation system, and develop a query based response system.
4. Upgrade the system by including newer online payment methods for example bKash and other, thus giving their client the ease of easily and immediately paying their reservation fee without leaving their own home.

Future Prospect:

Tech-enabled, branded hospitality network OYO Rooms, which went live with its website oyorooms.com in April 2013, is set to become India's largest branded hospitality network of budget hotels in the near future. In Bangladesh, there are hundreds of hotels which just need a big umbrella to ensure higher occupancy rate. Every year, thousands of business and official tours in this country in different places who are looking for high quality, standardized rooms but spending thousands of Taka behind unbranded hotel rooms. Unfortunately, very few of them offer the standardized, affordable, and technology driven experience with assured facilities, services and amenities.

OYO Rooms are priced from very small range inclusive of taxes and are equipped with comfortable beds, air-conditioning, TV, free unlimited Wi-Fi, clean attached washrooms and complimentary breakfast service. Therefore, there are high potentials of OYO to be the largest hotel chain of this country by implementing a FDI here. In recent time, Malaysia has become their prospective country. With some certain assurance, may be Bangladesh is going to take the same place in near future.

Appendix

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Part 1: For Investors of Bangladesh:

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- The ABCs of Starting a Business Overseas: www.entrepreneur.com/article/245878

Questionnaire

This questionnaire is intended to analyze the **Business Opportunities of Online Standardized Chain Hotel in Bangladesh**. The survey is ONLY for ACADEMIC purposes and therefore your anonymity and confidentiality are highly assured.

Online Standardized Chain Hotel / Aggregator Hotel Business is a network model where the firm/brand collects the information about hotel/apartment service providers, make the providers their partners, and the firm/brand sells their services under its own brand. Aggregator as a brand provides services which has a uniform standard quality and price, many of which are not available merely in a non-branded hotel.

This may only take maximum 10 minutes.

Basic Demographic Information

Star (*) marked are required field.

- **Name*:**
- **Occupation and Organization*:**
- **Phone No.*:**
- **E-Mail Address:**
- **Age Group*:**
  - i) 15 – 24 Years
  - ii) 25 – 34 Years
  - iii) 35 – 50 Years
  - iv) Above 50 Years

1. Who is usually your partner in traveling?

i) Wife and Children

ii) Parents

iii) Friends

iv) Business Partners/Colleagues

v) Others

2. Which of the below irregularities did you see in the hotel? (Multiple options can be chosen).

i) No Wi-Fi Connection	vii) Geyser or Hot Water Source is Not Working
ii) Air Conditioning in Not working	viii) Unclean Washroom
iii) Old Model TV	ix) No Breakfast Facility
iv) No Room Service	x) Poor Customer Service Team
v) Uncomfortable Beds	xi) Other (Please Specify):
vi) Unclean Linen, Blanket or Pillow	

3. What kind of standard facilities do you expect from a hotel service provider? (Multiple options can be chosen).

i) Free Wi-Fi	viii) Beds with Comfortable Spring Mattress
ii) AC Room	ix) Spotless Linen
iii) Flat Screen TV	x) Clean Bathrooms
iv) Round the Clock Room Service	xi) Toiletries
v) Trained Staff	xii) 6-inch Shower Heads
vi) Customer Service Team (24*7 Call Center)	xiii) Complimentary Breakfast
vii) Conferencing Facility	xiv) Discounts

4. What other additional facilities in a hotel are you also interested in? (Multiple options can be chosen).

i) Tour Guide	vi) Swimming Pool
ii) Restaurant & Bar	vii) ATM Booth
iii) Spa/Health Center	viii) Parking Place
iv) Beauty Salon	ix) Car Renting
v) Gym	x) Others (Please Specify):

5. **For the above standard hotel facilities, taking how much money (per night) do you think will be JUSTIFIED?**
   i) Tk. 800 – Tk. 999
   ii) Tk. 1,000 – Tk. 1,499
   iii) Tk. 1,500 – Tk. 2,499
   iv) Tk. 2,500 – Tk. 4,999
   v) Above Tk. 5,000
6. **Which top 3 offers will grab your interest first? (You can choose top 3 options).**
   i) Discounted Prices
   ii) Hotel Staying Package
   iii) Bringing a Friend for Free
   iv) Deals for Frequent Guests
   v) Deals for Introducing Others
   vi) Reduced Services for a Lower Rate
7. **Through which method/s do you prefer to book the hotel room? (Multiple options can be chosen).**
   i) Direct
   ii) Phone Call
   iii) E-Mail
   iv) 3rd Party Travel Agencies
   v) Official Mobile App
   vi) Official Website
8. **Which payment method/s do you prefer most? (Multiple options can be chosen).**
   i) Cash
   ii) Debit/Credit Card
   iii) Electronic Fund Transfer (EFT)
   iv) Money Transfer Services like bKash, UCash etc.
   v) Virtual Currency

9. Please rate the following hotel service by its importance.

Very Important	Somewhat Important	Neutral	Somewhat Unimportant	Very Unimportant
1	**2**	**3**	**4**	**5**

i)	Room Services	**1**	**2**	**3**	**4**	**5**
ii)	Friendly and Well-Groomed Staff	**1**	**2**	**3**	**4**	**5**
iii)	A Friendly Welcome on Arrival	**1**	**2**	**3**	**4**	**5**
iv)	A Quick Check-In\Out	**1**	**2**	**3**	**4**	**5**
v)	The Atmosphere in Your Room	**1**	**2**	**3**	**4**	**5**
vi)	New and Modern Facilities of the Room	**1**	**2**	**3**	**4**	**5**
vii)	Quality of Service, Food & Beverage in Restaurant/ Bar	**1**	**2**	**3**	**4**	**5**
viii)	Hygiene Washroom	**1**	**2**	**3**	**4**	**5**
ix)	Different Rooms for Different Styles	**1**	**2**	**3**	**4**	**5**
x)	Breakfast in Bed	**1**	**2**	**3**	**4**	**5**

10. In which places of Bangladesh, do you want this kind of hotel facilities, considering the historical places, endowed natural places, and artificial amusement park? (Multiple options can be chosen).

i)	Dhaka	vii)	Sylhet
ii)	Chittagong	viii)	Khulna
iii)	Cox's-Bazar	ix)	Comilla
iv)	Saint Martin	x)	Bogra
v)	Chittagong Hilly Areas	xi)	Others (Please Specify):
vi)	Kuakata		

11. If you are satisfied with the services of a particular hotel, you are likely to: (Multiple options can be chosen).

i) Go to this same hotel next time

ii) Recommend others about this hotel

iii) In spite of being satisfied, try other hotels for new experience

12. Please specify your suggestion/s or expectation/s in short for these kinds of hotel facilities in Bangladesh.

Answer: